

# LABOR FACT BOOK

8

PREPARED BY

*Labor Research Association*

## LABOR FACT BOOK 8

Referring to the Labor Fact Book, a Commissioner of the U. S. Bureau of Labor Statistics declared "... if somebody wants something on labor conditions in the United States this is the only book he can turn to. . . . It has wide circulation, and is used by many employees, unions and by some employers as a source of information."

The present volume opens with a quick view of recent developments in the American economy. It summarizes the essential production and consumption figures and the huge wartime profits of the corporations.

Facts on the trend toward monopoly and concentration in industry follow, along with the basic facts on taxation, the federal budget and prices.

The book presents a wealth of information on wages in relation to productivity and cost of living, facts on family income and budgets, health needs, work accidents, housing, social security and the special conditions of women and white-collar workers.

Conditions of the Negro people are described in a special chapter which emphasizes economic and social status as well as civil rights. It covers the recent story of discrimination, lynchings and Jim Crow.

(Continued on back flap)

(Continued from front flap)

Strikes, labor relations and collective bargaining are covered in another section which identifies the leading organizations behind the drive for anti-labor legislation.

Dealing at more than usual length with political action of labor and its allies, the book also describes the issues and programs in recent election campaigns.

In no other book can one find a more concise collection of data on agriculture, the organization of farmers and farm workers, and the beginnings of farmer-labor unity.

The volume closes with the story of the recent union of world labor and facts on conditions in Canada and the Soviet Union.

An excellent index makes the book ideal for ready use. Librarians keep it handy on their quick reference shelves. It is popular also with students, teachers, writers, researchers, union leaders, labor lawyers as well as the rank and file of citizens.

Like the seven earlier Labor Fact Books, issued at two-year intervals, Labor Fact Book 8 contains entirely new material. It is the most widely read labor reference book in the United States.

---

Labor Fact Book 5	Trade \$2.00; Pop. \$1.00
Labor Fact Book 6	Trade \$2.00; Pop. \$1.25
Labor Fact Book 7	Trade \$2.25; Pop. \$1.60

# LABOR FACT BOOK 8

PREPARED BY  
LABOR RESEARCH ASSOCIATION



INTERNATIONAL PUBLISHERS, NEW YORK



COPYRIGHT, 1947, BY  
INTERNATIONAL PUBLISHERS CO., INC.



65

PRINTED IN THE UNITED STATES OF AMERICA

# CONTENTS

## FOREWORD

7

### I. ECONOMIC TRENDS

9

Industrial Production, 9; Gross National Product, 11; Profits in Wartime and After, 14; Wartime Shipping Profits, 16.

### II. FACTS ON THE ECONOMY

18

Economic Concentration Before World War II, 18; Wartime Trend Toward Economic Concentration, 19; U. S. Firms in the Cartel System, 23; Concentration in Newspaper Business, 25; Government Action on Monopoly, 27; Employment Act of 1946, 30; Postwar Taxes, 33; Federal Budget, 36; Price Control, 1945-1947, 38.

### III. LABOR AND SOCIAL CONDITIONS

42

Distribution of Income and Savings, 42; Average Weekly Earnings, 44; Postwar Wage Rate Increases, 46; Substandard Wages, 47; Guaranteed Annual Wage, 48; Payrolls, Employment and Real Wages, 50; Real Weekly Wages, 51; Cost of Family Budgets, 52; Relative Position of the Worker, 53; Productivity of Workers, 55; Employment, Unemployment and the Labor Force, 56; Hours of Work, 56; Social Security Developments, 58; Health Needs and National Health Bill, 62; Deaths and Work Injuries, 65; Industrial Diseases, 68; Housing Needs and Programs, 70; White Collar Workers, 74; Child Labor, 78; Women Workers, 79.

### IV. CONDITIONS OF THE NEGRO PEOPLE

83

Population Trends, 83; Negro Farmers in the South, 84; Negro Workers, 84; Wages of Negroes, 87; Fair Employment Practice Committee, 88; In the Trade Unions, 90; Housing for Negroes, 92; Health Conditions, 94; Schools and Teachers, 94; Lynchings of Negroes, 97; Resistance in Tennessee, 99; Racial Friction and the Police, 100; Poll Tax

Legislation, 101; The White Primary, 102; Negro Organizations, 104; Petition to the United Nations, 105.

**V. TRADE UNION DEVELOPMENTS**

107

Unions and Unionists, 107; Union Practices and Democracy, 107; The AFL in 1945, 109; 1946 AFL Convention, 109; The CIO in 1945-46, 113; 1946 CIO Convention, 115; Call for Unity, 120; Campaign to Unionize the South, 121; Railroad Labor Developments, 123; Women in Trade Unions, 125; The Labor Press, 127; Union Group Insurance, 128.

**VI. LABOR RELATIONS AND STRIKES**

132

Federal Anti-Labor Legislation, 133; State Anti-Labor Bills, 137; Court Injunctions Against Labor, 138; Anti-Labor Organizations, 140; National Labor Relations Board, 146; National War Labor Board in 1945, 148; National Wage Stabilization Board, 150; Fact-Finding Boards, 151; Strike Statistics, 152; General Motors Strike, 154; Steel Strike, 154; Electrical Union Strike, 155; Maritime Strikes, 156; Railroad Strikes, 157; Coal Strikes, 158; General Strikes, 159.

**VII. POLITICAL ACTION**

162

Labor and the Seventy-Ninth Congress, 162; CIO Political Action Committee, 163; Chicago Conference of Progressives, 165; Issues in 1946 Campaign, 167; Republicans Win, 167; American Labor Party, 168; How Progressives Fared, 169; Analysis of Vote, 170; Progressive Citizens of America, 172.

**VIII. FARMERS AND FARM WORKERS**

174

Farm Income, 174; Farm Property and Mortgages, 176; Large Farms and Small, 177; Productivity and Mechanization, 177; Electricity on Farms, 180; Farm Wage Workers, 181; Toward Farmer-Labor Unity, 183; Farm Organizations, 185; UNRRA and World Food Needs, 188.

**IX. LABOR ABROAD**

190

World Federation of Trade Unions, 190; Canadian Labor Progress, 193; CIO Report on Soviet Labor, 197.

**INDEX**

201

## FOREWORD

As in other volumes in this series, issued every two years since 1931, the material included is entirely new, with no repetition of data appearing in previous Fact Books.

The present volume covers roughly the period 1945-1946, although in some sections facts from the first months of 1947 are included to bring the story as close to publication date as possible.

To show the trend over a longer span of years, a few tables include earlier figures. Where we have dealt with a subject extensively for the first time, as in the second chapter with its new data on monopoly, we have included some background material.

We have for the most part omitted cross references, in view of the unusually full indexing of separate items. And in order to save space we have been sparing in citation of sources. However, we are always ready to give the interested reader, on request, the source for any fact. We have also, as a space-saver, abbreviated the names of most labor unions.

For the first time since *Labor Fact Book 2* we have included a separate chapter on the conditions of the Negro people in this country. The outrageous discriminations suffered by the Negro people in the United States, in violation of our own Constitution, are of particular significance today.

A larger section of the book than usual has been devoted to a description of the agencies spearheading the fight against labor and the "Reds" in this country. This catalogue of leading employer organizations will, we hope, help labor to see who its enemies are in its struggles to advance standards of living, especially through legislative measures.

Greater space is given also to questions of political action because of its increasing importance for the American people. We would call attention also to the chapter on farmers and farm workers. This gives a unique review of the progress of agriculture in this country during the last two years and it touches upon the concrete developments that tend to bring about closer cooperation between farm and city workers.

Finally, we have stressed in the present volume the tables on real and relative wages, showing the long-range trends. Like many of the

other data appearing for the first time, these will be kept up to date in future volumes.

In addition to these special subjects, we have covered, as in previous books, the main facts on economic developments, working conditions, and trade union progress.

Preparation of this book has been more than ever a cooperative task. Not only have a number of devoted volunteers given time and specialized talent to the job. We are indebted also to scores of trade union officers who have answered our questions and sent us facts on particular subjects. And we have been aided by many other agencies, both private and public, for example, by Farm Research, Trade Union Agency, Federated Press and the Civil Rights Congress, as well as by many government offices, such as the Social Security Administration, various divisions of the Department of Labor, the National Labor Relations Board, the National Housing Agency, and the Department of Commerce.

Several topics covered in this book are discussed from month to month in our *Economic Notes*. For possible use both in our monthly bulletins and in future Fact Books, we would appreciate it if union and other organizations would put us on their mailing list for publications, proceedings, news releases and other material.

Labor Research Association  
Robert W. Dunn, Secretary  
80 East Eleventh Street  
New York 3, New York



## I. ECONOMIC TRENDS

A review of economic developments in the United States during the years 1945 and 1946 must take into consideration the epoch-making military and political events that influenced those developments. The main events in these two years were, of course, the defeat of Germany in May, 1945, and the defeat of Japan in August of that year. Then came the reconversion to civilian economy during the autumn of 1945 and the first half of 1946. The removal of price controls and hundreds of other wartime controls was a major influence during the latter half of 1946 as corporate profits reached their highest rate in history. All of these events as well as the victory of the Republicans in the elections of 1946 had an important effect upon various phases of economic activity.

### INDUSTRIAL PRODUCTION

The industrial activity of the country, after reaching a peak during 1944 declined moderately through the spring of 1945, but was still more than twice as high as the prewar level. With the decline in military production after the war the low for the year 1945 was reached in the final quarter. The drop in total industrial production from the first to the last quarter was about 30%.

The trend for total industrial production and its main components for the two years 1945-46 is shown by the quarterly averages below based on Federal Reserve Board monthly figures, adjusted for seasonal variation.

The principal reason for the sharp drop in production was, of course, the cancellation of war contracts, particularly in such industries as aircraft, shipbuilding, automobiles and heavy industry generally which had been engaged almost exclusively in turning out war materials. Thus the drop in the index of durable goods production from the first to the last quarter of 1945 was about 46%, compared with a decline in the nondurable goods index of about 11% and in the minerals production index of no more than 6%.

Many of the industries included in the index of nondurable goods largely supplied the civilian markets. So, with wartime controls and priorities favoring the war industries, these nondurable lines were

limited in their expansion during the war. The textile, petroleum and chemical industries, however, were important exceptions as a large part of their total output was consumed by the armed forces.

**INDEX OF INDUSTRIAL PRODUCTION**  
(1935-39=100)

	<i>Total</i>	<i>Durable goods</i>	<i>Nondurable goods</i>	<i>Minerals</i>
1945:				
1st quarter	235	345	176	141
2nd "	225	322	173	141
3rd "	188	242	159	139
4th "	164	187	156	132
Full year	203	274	166	137
1946:				
1st quarter	160	162	165	140
2nd "	165	186	162	119
3rd "	176	207	162	145
4th "	181	212	171	139
Full year	170	192	165	136

The minerals industries, although playing a vital role in the war effort, were limited in their production by shortages of labor and physical resources especially in the case of copper, zinc, lead and other metal ores. Even with large government subsidies the production of minerals was below requirements and the needs of the war machine in this field had to be met in part by increased imports.

These developments during 1945 to a considerable extent determined the level of industrial production during 1946. With the reconversion shift to a larger and larger output of civilian goods, the total industrial production index rose by over 13% from the first to the last quarter of the year. But this still left production far below the peak level of wartime and about 23% below level of first quarter of 1945.

The biggest gains in production during 1946 were in the durable goods industries which had suffered the sharpest declines immediately following the end of hostilities. The index of durable goods output in the last quarter of 1946 was over 30% higher than during the first quarter but was still very much below the wartime level. The biggest rises during the year, that is between the first and the last quarters, were in automobiles, lumber and products, and machinery, the output in some of

these industries having been lowered by employer reluctance to grant wage increases, thus inviting long strikes in the first part of the year.

The nondurable goods industries had recovered quickly after the re-conversion period and had increased their output moderately during 1946, so that by the end of the year their level, unlike that of the durable goods sector, was close to that of the war period. The minerals industries, similarly, were able to increase their production a little during 1946.

On the whole, production during 1946 advanced further than many economists had expected. However, the whole process of reconversion was slowed down by the fact that many big companies in steel, metal, automobile, electrical, farm machinery and other industries refused to bargain with their workers in the early part of the year, flouted government fact-finding boards, and for many weeks failed to agree to adequate increases in wage rates for their workers.

## GROSS NATIONAL PRODUCT

The major changes in the whole economy, including all government and private output or expenditures, may be followed most easily by a review of the figures compiled by the Department of Commerce covering gross national product. This is defined as the market value at current prices of all goods and services produced both for private and government account. Here are the quarterly averages at current prices (on an annual rate basis) for the two years 1945 and 1946 showing gross national product and its components in billions of dollars:

	<i>Gross national product</i>	<i>Government expend- itures</i>	<i>Private capital formation</i>	<i>Consumer expend- itures</i>	<i>Income payments</i>	<i>Indi- vidual savings</i>
1945:						
1st quarter	205.1	96.5	3.6	105.1	163.7	36.6
2nd "	208.2	99.8	6.6	101.8	163.2	39.7
3rd "	198.2	81.0	11.2	106.0	158.6	31.9
4th "	185.2	57.2	15.0	113.0	157.0	23.9
Full year	199.2	83.6	9.1	106.4	160.8	33.1
1946						
1st quarter	183.7	39.6	23.1	121.0	156.7	17.1
2nd "	190.2	36.7	31.4	122.1	160.0	19.8
3rd "	196.6	31.3	35.7	129.6	167.8	18.8
4th "	204.7	30.8	37.9	136.0	173.4	17.6
Full year	194.0	34.7	32.1	127.2	165.1	18.8

This gross national product, representing the total value of all goods and services, reached a peak for the war during the second quarter of 1945 at an annual rate of about \$208 billion. The end of the war brought a decline to a rate of about \$185 billion a year in the fourth quarter of 1945 while reconversion difficulties and the employer-worker disputes of the early part of 1946 reduced the level still further in the first quarter of that year.

Since that quarter there has been a continuous increase in the total and by the fourth quarter of 1946 the estimated annual rate was around \$205 billion, or very close to the wartime peak.

But it is clear from the record of price rises, referred to elsewhere in this volume, that the physical unit volume of all economic activities in the country is not nearly as high as indicated by this figure. Considering the rise in prices, the actual physical gross product was considerably lower in the final quarter of 1946 than in the first quarter of 1945.

The change that did take place in total gross national product, however, was significant, especially in view of the reduction in government expenditures for goods and services by about \$62 billion a year from the first quarter of 1945 to the final quarter of 1946. In other words, expenditures by private industry and by consumers increased sufficiently to nearly offset the enormous cut in government expenditures.

The table shows that the private gross capital formation, or, as it might be called more simply, "business spending", rose from the low rate of \$3.6 billion a year in the first quarter of 1945 to the very high rate of \$37.9 billion a year in the fourth quarter of 1946. At the same time consumer expenditures for goods and services increased from about \$105 billion a year to \$136 billion a year. The effect of these increases was to offset the decline in government expenditures.

**Significance of Private Capital Formation:** Private gross capital formation includes private construction, residential and non-residential, which increased from less than \$2 billion a year to about \$8.8 billion a year in this two-year period. It includes also producers' durable goods, such as machinery and equipment, which increased from a rate of about \$5 billion a year in the first quarter of 1945 to about \$15.6 billion a year in the last quarter of 1946. It includes also the net change in business inventories which declined in the first quarter of 1945, but by the last quarter of 1946 they were accumulating at the extremely rapid rate of about \$9.7 billion a year. In fact, inventory accumulation had proceeded all through 1946 at an accelerating rate and was reaching the danger point.

Private capital formation includes also net exports of goods and services. There was an import balance in the first half of 1945, but for the full year 1946 this country exported goods and services, in excess of imports, amounting to about \$5 billion.

Some of these items that go to make up private capital formation are of a highly unstable and ephemeral character. Inventory accumulation, as a supporting factor in the economy, can only be temporary. And the continued net export balance of goods and services at anything like the rate of the final quarter of 1946 would be possible only under very questionable political conditions and with the assistance of substantial loans to foreign countries.

**Producers Durable Equipment:** Of special interest is the fact that in the full year 1946, when the overall figure for private capital formation stood at \$32.1 billion, the crucially important investment in producers durable equipment (capital goods) actually formed a lower percentage of the total than before the war. In other words, the purely temporary factors—exports and inventory gains—at that time outweighed the most basic element of capital formation, the investment in producers durable goods.

Such investment was also a lower percentage of total gross national product than in 1941, and only slightly above the percentage before the war, in 1939. This fact throws some light on the fundamental instability of the capitalist postwar boom.

**Consumer Purchases and Savings:** The increase in expenditures for consumer goods and services over the two-year period was the result of some increase in total income payments to individuals, with the higher wage rates brought about by union action, and the considerable rise in farm income. But still, along with this moderate increase in consumer expenditures for goods and services went a sharp drop in the net savings of individuals. These savings declined from an annual rate of nearly \$37 billion in the first quarter of 1945 to about \$18 billion in the last quarter of 1946. This drop of \$19 billion in savings of individuals was equivalent to 60% of the \$31 billion-a-year increase in consumer expenditures, the remainder being the result of the increased income payments to individuals in all classes, including of course the increasing dividends and interest payments to the owners of industry. (See Profits section below.)

Under the influence of the war shortage of consumer goods and the patriotic impulse to buy war bonds, consumers had saved an abnormally



large proportion of their current incomes. After the end of the war, with the greater availability of goods, consumers returned to the "normal" rate of savings, and expenditures for goods and service rose steadily to an all-time high. However, the increased cost of living during 1946 more than offset these increased expenditures, with the result that the physical volume of consumption actually declined. The index of total retail sales, eliminating price changes, declined from a peak at 172.6 in February 1946, to 156.8 in December, 1946.

### PROFITS IN WARTIME AND AFTER

A thorough study of the profits of American corporations appeared in the April, 1946, issue of the Survey of Current Business. This brings up to date and, in some cases, revises the profits reported in Labor Fact Book 7. It shows total corporate profits before taxes rising from a 1936-39 average of \$5.3 billion to \$24.9 billion in 1943, after which there was a slight decline in 1944 and a further decline, preliminary estimates show, for 1945 and 1946.

The table, given in billions of dollars, in this Department of Commerce monthly is as follows, with estimates for 1946 added from labor sources:

#### PROFITS OF ALL CORPORATIONS (in billions)

<i>Year</i>	<i>Profits before taxes</i>	<i>Taxes</i>	<i>Profits after taxes</i>
1929	\$9.8	\$1.4	\$8.4
1936-39 (av.)	5.3	1.4	3.9
1940	9.2	2.9	6.3
1941	17.1	7.9	9.2
1942	21.0	11.8	9.2
1943	24.9	15.0	9.9
1944	24.1	14.3	9.8
1945	20.9	11.8	9.1
1946 (est.)	19.0	7.2	11.8

The reduction in taxes made it possible for the corporations as a whole to hold up their net profits better than their profits before taxes. Thus the 1944-45 decrease in profits after taxes amounted to only 7%, while profits before taxes were down 13%.

If we compare the average profits made during the war years and those reported for the average peacetime period, we find that the increase

was from \$5.3 billion for the period 1936-39 to a \$22.7 billion yearly average for the period 1942-1945. Thus the wartime profits were more than four times the average profits made in peacetime.

"In spite of the high level of taxes during the war," says the Department of Commerce survey, "profits after taxes were also at record levels; the annual earnings of \$9.4 billion were 2½ times the average peacetime earnings of \$3.9 billion."

**1946 Profits:** Profits of all corporations in 1946 were estimated at \$19 billion before taxes and \$11.8 billion after taxes, an all-time peak for corporate net profits. In fact, John R. Steelman, Director of War Mobilization and Reconversion, declared in his quarterly report, October 1, 1946, that "Business profits, after taxes, are at the highest point in history. . . ."

Profits after taxes were unusually high in 1946 because the excess profits taxes were eliminated on January 1, 1946. Corporations in 1946 had to pay a maximum of only 38% on all income in excess of exemptions instead of 85% as in 1945.

The big rise in prices during the year also added to corporation profits as in every inflationary period. Business operations on the whole were much nearer capacity in 1946, productivity was higher and unit labor costs were lower. All of this contributed to the higher net profits totaling close to \$12 billion.

**Manufacturing Profits:** Profits in manufacturing industry alone showed the same trend as profits in corporate business as a whole. Profits, before taxes, in the prewar period 1936-39, for all manufacturing corporations, averaged \$3.2 billion. In 1943 these profits, before taxes, reached an all-time peak of \$14.9 billion and in the war period, 1942-45, they averaged \$13.1 billion a year, or more than four times the prewar average of 1936-39.

Manufacturing profits, after taxes, averaged \$2.5 billion in 1936-39. But by 1943 they had risen to \$5.5 billion, more than twice the prewar average. And in the 1942-45 war period they averaged \$5.1 billion a year, or double the 1936-39 average, as shown in the following table:

PROFITS OF MANUFACTURING CORPORATIONS  
(in billions)

<i>Years</i>	<i>Profits before taxes</i>	<i>Profits after taxes</i>
1936-39 (av.)	\$3.2	\$2.5
1942-45 "	13.1	5.1
1946 (est.)	11.4	7.1

For 1946 the estimates are conservative. In the third quarter profits of durable goods industries began to catch up with the consumer goods industries which had been making the highest profit showing in the early part of the year.

These figures, as the CIO Economic Outlook pointed out, November, 1946, in making the estimates for 1946, "clearly vindicate the position taken by the CIO on the wage increases in early 1946 . . . there was no need for a price increase to counterbalance the wage increase. Industries could have paid the 1946 wage increase without increasing prices of their products, and still have been left with profits at least equal to those made during the war years 1942-45."

**Profits on Investment:** Similar figures on corporate profits, based on figures of the Department of Commerce, the Securities and Exchange Commission and the Bureau of Internal Revenue, were used by Robert Nathan Associates in the report on A National Wage Policy for 1947 (Dec., 1946). They showed that corporate profits, even after taxes, rose from 2.9% of total corporate net worth in the 1936-39 period to 9.1% of net worth in the fourth quarter of 1946. And for manufacturing corporations alone, the net profits on net worth rose from 6.9% to 11.6% in the same period.

The rise is even more spectacular if profits are measured in relation to the fixed investment of the owners of the corporations, for the net worth figure is inflated by cash and government securities which are not invested in the business and have no claim to earn a normal business return on investment. The Nathan report estimated that the net profit after taxes in relation to owners' fixed investment had risen from 4.4% in 1939 to 9.6% in 1944, and to an estimated 14.3% in the last quarter of 1946. The rate of profit in relation to fixed investment in 1946 was, therefore, more than three times that of 1939.

## WARTIME SHIPPING PROFITS

For American ship operators as a whole the war period was a source of swollen profits. After World War I a number of companies had bought ships from the old U.S. Shipping Board at scandalously low prices. The Dollar Line purchased four vessels costing \$2,250,000 per vessel for \$300,000 each, and seven ships costing \$4,128,000 per vessel for \$550,000 each. These and other ships built between the wars were subject to a normal book-value depreciation of 5% a year.

At the outbreak of World War II the Maritime Commission requisitioned about 1,350 ships for hire instead of for title. Excess of such hire over what the government could legally have paid to buy the ships is estimated at nearly \$1.5 billion. Early in 1941 occurred the famous Red Sea voyages, run by a score of companies. Proper valuation of the 81 ships involved was about \$8,256,000. In 90 voyages the companies through their charter hire made a profit of nearly \$26,875,000, about three times the value of the vessels.

In addition to charter hire the companies operating ships for the government were paid for their services as agents. In the year ended June 30, 1943, 65 companies, operating 1,339 vessels, received nearly \$36 million in management fees besides \$439 million in charter hire.

About 360 ships were taken for title by the government. Prices in some cases ran from 7 to 15 times their book value. Some of the very same vessels sold by the government for  $2\frac{1}{2}$  to 8¢ on the construction dollar after World War I were bought back by it at 33¢ on the construction dollar.

Vessels bought from the government after World War I for \$5 to \$15 a ton were insured at the beginning of World War II for as high as \$100 a ton, regardless of condition. Seven steamship companies lost 35 ships whose total book value was about \$7 million. The companies collected for them \$35.5 million insurance, or five times their worth. For 570 vessels lost by enemy action the owners by the end of March, 1945, had collected \$217 million insurance, with \$50 million still outstanding.

Between October, 1939, and July, 1944, the 12 subsidized lines received construction-differential subsidies of nearly \$146 million on the building of 204 vessels. Between July, 1939, and July, 1942, they received \$29 million in operating-differential subsidies. In the five years 1940 through 1944 they had a net profit after taxes of \$172 million, and deposited \$316 million in reserve funds which at the time were tax free.

## II. FACTS ON THE ECONOMY

### ECONOMIC CONCENTRATION BEFORE WORLD WAR II

Concentration in the economy prior to World War II is shown briefly in a summary section from the report of the Smaller War Plants Corp. to the U.S. Senate Small Business Committee in 1946. The study, called Economic Concentration and World War II (79th Congress, 2nd Session, No. 6), gives this compact picture drawn from previous studies of the government's National Resources Committee, Temporary National Economic Committee and other sources:

The 45 largest transportation corporations owned 92% of all the transportation facilities of the country.

The 40 largest public-utility corporations owned more than 80% of the public-utility facilities.

The country's 20 largest banks held 27% of the total loans and investments of all the banks.

The 17 largest life-insurance companies accounted for over 81.5% of all the assets of all life-insurance companies.

The 200 largest nonfinancial corporations owned about 55% of all the assets of all the nonfinancial corporations in the country.

One-tenth of 1% of all the corporations owned 52% of the total corporate assets.

One-tenth of 1% of all the corporations earned 50% of the total corporate net income.

Less than 4% of all the manufacturing corporations earned 84% of all the net profits of all manufacturing corporations.

No less than 33% of the total value of all manufactured products was produced under conditions where the four largest producers of each individual product accounted for over 75% of the total United States output.

More than 57% of the total value of manufactured products was produced under conditions where the four largest producers of each product turned out over 50% of the total United States output.

One-tenth of 1% of all the firms in the country in 1939 employed 500



or more workers and accounted for 40% of all the non-agricultural employment in the country.

In manufacturing 1.1% of all the firms employed 500 or more workers and accounted for 48% of all the manufacturing employment in the country.

One-third of the industrial-research personnel were employed by 13 companies. Two-thirds of the research workers were employed by 140 companies and the remaining third were employed by 1,582 concerns. About 150,000 industrial corporations were without research laboratories.

The narrowness of the ownership in the corporations of the United States is indicated also in other facts given in the report and taken from a 1,500-page monograph prepared by the Securities and Exchange Commission for the Temporary National Economic Committee.

With respect to ownership in the corporations, it showed that 10,000 persons owned one-half of all the corporate stock in the country.

And the 1,000 largest dividend recipients of these corporations received 10.4% of the dividends, while only 61,000 persons received one-half of the dividends.

The report concludes that such facts "make it quite evident that a return to prewar conditions would mean a return to an economy which had already become highly concentrated."

## WARTIME TREND TOWARD ECONOMIC CONCENTRATION

Economic concentration was greatly increased during World War II. Here are some of the facts and conclusions on this trend as revealed mainly in Economic Concentration and World War II.

**Concentration of War Contracts:** The report says that the economy "has never been concentrated to the extent which is implicit in the distribution" of prime war contracts. It gave War Production Board figures which showed that from June, 1940, through September, 1944, no less than two-thirds (67%) of the \$175 billion in war contracts went to the 100 top corporations in the list of 18,539 corporations that received such awards. Fully 30% of the value of the contracts awarded during this four-year period went to the first ten corporations, 12% to the next ten, and 7% to the third ten, or nearly one-half of the total (49%) to the top 30 corporations.

In addition, the report points out that "most of the value of the sub-

contracts placed by big prime contractors went, not to small firms, but rather to other large concerns." It was figured that the small companies accounted for only 30% of the total war production consisting of 22% of the prime contracts, 7% of subcontracting at the first tier of subcontracts, and 1% of subcontracting at lower levels. (Small companies were classified as those with less than 500 workers.)

**Concentration in Distribution of Materials:** With the contracts going mostly to big business "it was almost inevitable that big business would obtain the major share of the Nation's resources in the war effort." Thus, "there existed a high degree of concentration in the distribution of critical materials." This was especially true for such materials as carbon steel, alloy steel, copper, aluminum and other metals.

**Concentration of Facilities:** Roughly two thirds of the nation's usable manufacturing facilities were held by the largest 250 corporations in both 1939 and 1945—the percentage rising slightly during the war. The facility holdings of the 250 largest corporations in 1945 approximately equalled those of *all* corporations in 1939.

About \$26 billion of new plant and equipment had been added during the war, roughly two-thirds of it being provided directly from federal funds, and the other from private funds. More than three-fourths of all war industrial facilities financed with public funds were either owned or operated by 100 corporations. It was estimated in the report that about \$20 billion of the \$26 billion of new wartime plant and equipment was usable for production of peacetime products.

The effect of the war on economic concentration "will probably hinge more on the disposition and use of the war-built facilities than on anything else. Insofar as the privately financed facilities are concerned, concentration will undoubtedly be increased, since the bulk of these facilities were acquired by big business. Furthermore, a considerable portion of the government-owned facilities will inevitably be acquired by big business, since they are scrambled in with their existing plant and equipment and cannot possibly be operated by any other firms."

**Big Companies Employ More of Workers:** Big firms, those with 500 employees or more, are a tiny minority of all businesses, said the report, "but their size and power has grown more dominating than ever. In 1944 these large firms represented only 2% of all manufacturing firms in the United States and yet they accounted for 62% of total employment."

In manufacturing the few giants with 10,000 or more employees ac-

counted for 13% of total employment in 1939, and for fully 31% of the total in 1944.

During the war the large companies with over 1,000 employees, the report concludes, "have come to dominate not only American manufacturing but the entire economy as a whole."

**Big Companies Get Research Funds:** Exclusive of about \$2 billion which it spent on the atom bomb, the government during the war spent nearly \$2 billion on research and development. More than two-thirds of this sum was received by 68 corporations. And the top 10 corporations received nearly two-fifths of the total.

"In the long run," says the report, "the concentration of economic power may be greatly strengthened as a result of this centralization of research. . . . Obviously the companies in whose laboratories this research has been carried on will be its chief beneficiaries not only because of their direct acquaintanceship and knowledge of the research but also because of patents."

**Trend in Mergers:** The importance of the growing number of mergers and acquisitions was emphasized in this report to the Senate Small Business Committee. It pointed out:

The real significance of the present activity of big business in acquiring small firms is that the merger movement has served in the past as a useful barometer of the trend of concentration. . . . The trend of mergers and acquisitions . . . is a symptom in peacetime of growing concentration of economic power. The fact that big business is now actively engaged in buying up small companies strongly suggests that it will probably follow other courses of action designed to increase its economic power.

The figures given in the report on mergers and acquisitions in manufacturing and mining have been revised on the basis of a compilation received from the U. S. Department of Commerce in February, 1947. The table shows the number of mergers in these two major industrial fields for eight recent years.

#### MERGERS AND ACQUISITIONS IN MANUFACTURING AND MINING

1939	87	1943	213
1940	140	1944	324
1941	111	1945	333
1942	118	1946	419

In the 1940-45 period 25.4% of all mergers occurred in the iron and

steel machinery industries, 19% of them in the food and liquor industries, 10.2% in chemicals.

**Postwar Concentration:** "The record of the war years," the Senate report concluded, "shows a constant increase in the importance of big business and a constant decline in that of the little concerns." The report summarized the outlook in these words:

Economic concentration will probably be higher in the postwar years than before the war as a result of: The production improvements and scientific research which big business gained during the war; the increase in the liquid funds and general financial strength of big business; the ability of big business to keep its name and trademarks before the public eye during the war; and finally the fact that big business will probably acquire a greater share of the war-built facilities which it operated than will small business, regardless of whether economic conditions are prosperous or depressed.

**Industrial Plant Disposal:** How far the big corporations had gone in acquiring the productive facilities disposed of by the government after the war was indicated in reports of the War Assets Administration analyzed in the report of the Monopoly Subcommittee of the House Committee on Small Business issued December 27, 1946, under the title, United States Versus Economic Concentration and Monopoly.

It referred to the fact that 250 largest manufacturing corporations, which owned and operated before the war 65% of the nation's manufacturing facilities, operated during the war 79% of the new, privately-operated plant facilities built with federal funds. And these same companies, up to June 30, 1946, had acquired 70%, in value, of the total surplus plants disposed of by the government. The prices paid for these plants averaged about 60% of their original cost, some of the biggest being sold for less than this percentage.

The War Assets Administration reported that up to the end of June, 1946, six giant corporations had received 48% of the war plants it sold or leased, based on original costs, even though these corporations had less than 10% of the gross capital assets of all manufacturing corporations in the immediate prewar year, 1939. These six corporations were U.S. Steel, International Harvester, Allied Chemical & Dye, General Electric, General Motors, and Bethlehem Steel.

A staff report to the surplus property subcommittee of the Senate Committee on Military Affairs, December 30, 1946, found still further concentration. It said:

On an original cost basis or on a purchase price basis, nearly 70% of all plant sales and leases thus far accomplished have been made to approximately 60 firms which rank among the largest 250 manufacturing firms in the country.

This figure almost exactly parallels the degree of concentration which took place during the war in the placing of war contracts and the building of wartime industrial facilities, which trend the [Surplus Property] Act was supposed to reverse.

To date [it concluded], the results accomplished by War Assets Administration in the disposal of real property indicate that the anti-monopoly objectives of the Act are largely paid lip service only.

## U.S. FIRMS IN THE CARTEL SYSTEM

More than 60 large U.S. companies have been proved guilty, in anti-trust suits, of participating in agreements with foreign cartels. More than 100 commodities were thereby affected or controlled as to price, output or markets.

The House subcommittee report on monopoly, referred to above, summarizes some of the facts about cartels. It says:

International concentration and monopoly in this country have developed into international cartels, or world-wide trusts, combines, and monopolies. These cartels have established private treaties—without Government participation—between domestic and foreign monopoly groups to fix prices, divide market territories, and fields of production.

Cartels contributed seriously to our industrial unpreparedness for war by restricting the production and distribution of such vital products as magnesium, zinc, rubber, aviation gasoline, beryllium, titanium, electrical equipment, plastics, dyestuffs, machine tools, fuels, communication equipment, and many other products.

Assistant Attorney General Wendell Berge, in his *Cartels: Challenge to a Free World*, shows how cartels in peacetime have used their high-price, restricted-output strategy to impede the advance of living standards. Then, through the abuse of the patent system, they have established controls over large segments of technology. They have also brought about the deterioration of quality standards. "When it might be to their advantage in maintaining or exploiting their monopoly position, they have adulterated their products to an extent and in a manner endangering the health, and even the lives, of consumers. Almost incredible as these assertions may be, they are not subject to contradiction—the incontrovertible facts are clearly set forth in congressional investiga-



tions and in the evidence in anti-trust cases of the Department of Justice." (See also *Out of Your Pocket, The Story of Cartels*, by Darel McConkey. Pamphlet Press.)

**Deals with German Capitalists:** Illustrations of these practices, given in the House monopoly report, involved the General Electric Co. and its reduction of the life of lamp bulbs; Westinghouse, General Electric and the public utilities and their delays in the introduction of fluorescent lamps; Standard Oil of New Jersey's cartel agreements with I.G. Farben, the great German chemical trust, which led to blocking the commercial development of high octane gasoline and synthetic rubber in the United States.

There were also the military optical glass agreements between Bausch & Lomb and the Carl Zeiss firm of Germany working for Nazi interests; the price agreements about plexiglass involving secret patent pools, cross-licensing, restrictions on production and price fixing between Rohm and Haas Co. (Philadelphia), du Pont de Nemours and various German firms; patent agreements over tungsten carbide between General Electric and the Krupp Co. of Germany; restriction on production of magnesium in the U.S. because of arrangements between I.G. Farben and Dow Chemical and Aluminum Corp. of America.

Further examples of these "private treaties," undermining American defense, are given in the House monopoly report which reaches this conclusion:

The magnitude of the superconcentration brought about through international cartel agreements can be readily appreciated when it is understood that, through this mechanism, many of the largest American corporations have effectively combined not only to parcel out foreign trade areas but also to regulate the ebb and flow of commodities within the United States. For example, two of the biggest companies in the United States—du Pont and Standard Oil of New Jersey—were linked with the chemical monopoly in England and the chemical monopoly in Germany, and thus with each other. Two other corporations—Dow Chemical and Alcoa—dominating competing metals, magnesium and aluminum, effectively side-stepped competition with each other through cartel agreements with I.G. Farben.

The influence of these cartels can scarcely be exaggerated. The German cartel documents captured, micro-filmed and analyzed by Allied forces in Germany show that "I.G. Farben officials together with French, and even British and American collaborators, not only planned the war, but even prior to Hitler's advent to power, took over the conduct of

world-wide military and economic espionage and spear-headed totalitarian psychological and economic warfare programs. These international monopolies also financed red-baiting campaigns such as Elizabeth Dilling's infamous collection of falsehoods entitled *The Red Network*, and supported a variety of right-wing propaganda organizations both here and abroad." (Prof. Theodore Kreps, Graduate School of Business, Stamford University, and former counsel, Temporary National Economic Committee, in *California Farm Reporter*, Jan., 1947.)

**NAM on Cartels:** The National Association of Manufacturers says it is against cartels, but especially government cartels. This is, of course, another name for any kind of government commodity agreement which might be made, say, between our government and the foreign trade department of the Soviet Union.

The NAM has failed to censure those of its members who have been found guilty in the courts of cartel practices detrimental to the defense of the United States. The NAM has also been silent on corporate monopolies and concentration. It has not suggested that the anti-trust program of the Department of Justice might be strengthened or even supported.

As James Allen says in his *World Monopoly and Peace*, "For NAM actually to reject the cartel would be fantastic, a negation of NAM itself, which dominates the whole trade association structure in the United States."

## CONCENTRATION IN NEWSPAPER BUSINESS

One of the most striking developments in recent years has been the growing concentration in the newspaper business. Within the last two years new figures on this tendency have been made available.

In this field also Economic Concentration and World War II points out that:

Although newspaper circulation has mounted steadily the number of newspapers in the United States has declined sharply during the last three decades. The activity and influence of the large metropolitan journals has expanded widely, and newspaper chains have grown enormously. Very few communities now have more than one version of the news. Finally, news gathering is virtually monopolized by three press services, and newspaper publishers have made substantial invasions into the field of radio.

The following figures are given in the report:

In 1909 there were approximately 2,600 daily newspapers, with a total circulation of 24.2 million. By 1942 the number of dailies had dropped to 1,787, while the circulation had nearly doubled to reach 43.4 million. This trend has continued up to the present time. Between 1936 and 1942 there occurred a net decline of 202 dailies while the over-all circulation increased by more than 3,000,000. From 1942 to the latter part of 1945, the number of daily newspapers decreased by 38 in the face of a further 5 million increase in circulation which carried the total for all newspapers in the country to the record of 48.4 million.

The importance of the chains is indicated by the fact that in 1933 only 63 chains, with a total of 361 newspapers, controlled more than 37% of the Nation's total daily circulation. Only six chains—Hearst, Patterson-McCormick, Scripps-Howard, Paul Block, Ridder, and Gannett—with their 81 dailies, accounted for more than 21% of the country's total daily circulation. In 1940, chains controlled about two-fifths of the entire daily circulation in the country and one-half of the Sunday circulation.

The situation on a local basis is even more dramatic when it is realized that in 1940 there were only 181 cities in the entire United States which still had competing daily newspapers. During the 1930's, mergers and failures deprived the communities of the opportunity to choose between at least 2 newspapers, leaving in 1940 nearly 88% of all American communities, or a total of 1,245 either with only 1 daily newspaper or with all in the community under single ownership.

Among 104 of the largest cities in the country in 1940, there were 7 with a single paper and 13 others in which all of the papers were published by the same concern; among 82 cities with morning papers, there were 74 with 1 and only 8 with 2 or more; among 101 cities with evening papers, there were 72 with 1 and only 29 with 2 or more.

Three organizations—the Associated Press, the United Press and the International News Service—virtually control the business of news-gathering and distribution for the entire country. In the case of the Associated Press, the form of its organization made it possible for newspapers holding Associated Press charters to deny its service to new competitors—a practice found recently by the Supreme Court to be in violation of anti-trust statutes. The other two news services are privately owned by two leading newspaper interests—United Press by Scripps-Howard and International News by Hearst.

*Radio Ownership:* As an indication of the inroads that newspapers have made into the radio field, as of December 31, 1944, 238 broadcasting stations in the United States were directly owned by newspaper publishers. The newspaper publishers, furthermore, indirectly controlled another 270 radio stations, bringing the total either owned or controlled to 508 as compared with a total of 886 radio stations in the entire United States . . . the newspapers control even a greater proportion of the more powerful broadcasting stations in the

country. For example, the newspapers either own or control 44 out of a total of 53 radio stations in the country with 50,000 watts. They own or control 155 out of 225 with 5,000 or 20,000 watts; 108 out of 162 with 1,000 or 2,500 watts; and 201 out of 446 with 200 or 500 watts.

The number of radio stations controlled by publishers has continued to grow, and many newspapers are making preparations to enter into frequency modulation and television broadcasting.

**Decreasing Competition:** Still later figures on monopoly tendencies in the newspaper field were given by Raymond B. Nixon, director of the Division of Journalism at Emory University, in the *Journalism Quarterly*, June, 1945. Discussing "Concentration and Absenteeism in Daily Newspaper Ownership," he pointed out: "Between the two war years of 1918 and 1944, the total number of all dailies declined 19.4%, while their total circulation went up 60.4%."

As of March 1, 1945, there were 1,394 cities with daily newspapers. Of these 1,103 were one-daily cities; 161 were one-owner cities even though they had so-called "competing" papers. There were 13 in which partial mergers had been effected, making a total of 1,277 cities that are classified as non-competitive. That leaves only 117 cities where competition in the daily newspaper field has not been completely eliminated. Nixon adds: "Ten entire states now have no local competition whatever."

A similar tabulation "shows that only 37 of the nation's 413 Sunday-newspaper cities have local competition; 22 entire states have no competitive Sunday papers."

## GOVERNMENT ACTION ON MONOPOLY

The two agencies of the federal government charged with enforcement of the antitrust laws (Sherman Act and Clayton Act) are the Antitrust Division of the Department of Justice and the Federal Trade Commission.

A thorough review of what these and other departments of the government have done in meeting the problems raised by the growing concentration of corporate power is given in the report of the House subcommittee on monopoly, mentioned above. This report was based on a "thorough investigation of government activities in combating further concentration of economic power into the hands of fewer and larger groups," said Rep. Estes Kefauver (D., Tenn.), chairman of the subcommittee. It combined and summarized also the results of the investi-

gations of concentration made by the Temporary National Economic Committee in 1938-41 and the Smaller War Plants Corp. report referred to above.

It found that most of the government agencies to which it had directed its inquiry were fully informed of the dangers of the growing concentration of economic power in the United States. The Federal Trade Commission reported, for example:

We do not have to wait years (when it may be too late to take corrective action) for a practical demonstration of the effects of cartelization on our economic and political life. The experience of Europe, which will be repeated here if monopoly is not adequately controlled, is spread on the record for all to see. The story of the supergovernment of I.G. Farben is a good example of what can happen here.

The committee found, however, that the work of the FTC, which carries out the antitrust provisions of the Clayton Act and certain other laws, has done little to prevent the concentration of economic power. It has confined itself mainly to taking action on complaints received concerning certain restrictive trade practices. Of 414 antitrust cases handled by the FTC since 1932, fewer than a third were in those industries where the FTC, or other government bodies like the TNEC, had found that monopoly and concentration prevailed.

There was, for example, only one case involving the steel industry and none at all in copper mining, lead mining, the farm implement and other industries where the FTC had, through its general economic investigations, found a high degree of concentration.

Discussing the work of the Antitrust Division of the Department of Justice, the report concluded that on the whole, during the period from 1890 to 1937 it had been a policeman "who looked the other way. Very few cases were instituted against the monopolists."

Since 1937, the record had been somewhat better as a result of the revelations of the TNEC and the positive policies of the Roosevelt Administration. However, many of the prosecutions had been postponed during the war, due to pressure exerted through the Army, Navy or War Production Board. Similar pressure, hindering antitrust action might now be exerted, after the war, especially in those industries where the Army and Navy Munitions Board is making production allocations to groups of companies who agree to do business with only one source of supply.

**Delays and Expenditures:** The report stressed also the long delays encountered in putting through prosecutions by both these government agencies, especially when the cases were carried to the courts. Discussing these delays in the settlement of cases, the report said: "Antitrust procedure has not been a very prompt means of providing relief to the small businessman complaining of monopolistic practices."

The high cost of prosecutions, and the huge amounts that the big corporations are willing to spend on defense, were also emphasized. The report concludes that appropriations for antitrust enforcement have been on a very small scale relative to the magnitude of the problem. The Bureau of the Budget has consistently undercut the attempts of both the Antitrust Division and the FTC to "build their organizations to a point where antitrust enforcement could be more than a symbol."

As an example of the disparity between corporation expenditures and appropriations for the prosecuting agencies, the report tells how in the Hartford-Empire glass bottle monopoly case the corporations spent "considerably over \$2,000,000, whereas in only one year has the entire appropriation to the Antitrust Division exceeded \$2,000,000." In fact, it was only \$1,900,000 in the last fiscal year.

The Federal Trade Commission told a similar story. In one of its typical big cases, that against the Cement Institute, only three FTC attorneys participated in the trial, "yet they were opposed by lawyers from 41 law firms, many of them among the largest and most successful in the country." The cement companies were reported to have spent around \$5 million in defending this one case, or twice as much money as the entire FTC receives in one year.

And even when one of the corporations is found guilty and forced to pay a fine, the amounts levied are insignificant in comparison with the profits of the corporations involved. The Antitrust Division told the committee, that "In some respects the penalties are so low that violation is regarded by businessmen as a good business risk."

**Loopholes in Laws:** Another weakness in the antitrust setup is the fact that Section 7 of the Clayton Act, while prohibiting one corporation from acquiring the stock of a competing corporation where the effect would be to substantially lessen competition, permits the corporation to buy up the physical assets of its competitor and thereby accomplish the same purpose. This loophole has permitted the big corporations, when threatened with prosecution under the law, to shift their tactics and use the other method of strengthening their hold on a given industry.

A bill to plug this loophole was introduced by Rep. Kefauver in the 79th Congress but it failed to reach the floor of the House. President Truman, in his Economic Report to Congress, January 8, 1947, also urged the closing of this loophole.

The report noted also the fact that the Clayton Act, while prohibiting the acquisition of competing companies at least through the purchase of stock, does not cover the acquisition of companies in unrelated fields, nor does it apply to the acquisition of suppliers or of customers. Yet it is in this field of vertical integration that some of the biggest strides toward monopoly have been achieved in recent years.

In recommending various reforms that might be introduced to strengthen the arm of these branches of the government supposed to deal with these problems, the House monopoly report concluded: "If it is intended that economic concentration should be reduced there is no avoiding some Government interference with business and some expenditure of Government funds. We cannot avoid paying a price for our ineffectiveness and inconsistent action regarding concentration over the last 50 years."

The report urged that Congress vote more funds for the anti-monopoly fight and set up joint or separate committees to review and strengthen the anti-monopoly laws; that it should see that small business gets a better break in the sale of war surplus materials, and that heavy fines should be imposed on violators of the antitrust laws in which all loopholes should be plugged.

There was little chance that the Republican-controlled 80th Congress would take any of these measures which had not been passed even during the Roosevelt New Deal period. It was predicted at the beginning of 1947 that they might even curtail the limited antitrust activities and decrease the appropriations for this purpose.

## EMPLOYMENT ACT OF 1946

The Employment Act of 1946 was signed by the President, February 20, 1946. It was an outgrowth of the Murray Full Employment bill introduced in January, 1945. (Labor Fact Book 7, p. 39.)

The original Murray Full Employment bill was intended to assure enjoyment of the first "right" set forth in the Economic Bill of Rights drafted by President Roosevelt in 1944: "The right to a useful and remunerative job in the industries, or shops or farms or mines of the nation." The bill was bitterly attacked by the National Association of

Manufacturers, the Guaranty Trust Co. of New York, the New York Times, the Wall Street Journal, the Saturday Evening Post, the Hearst and Scripps-Howard newspapers and other spokesmen for reaction.

The Senate passed this bill, September 28, 1945, after adopting certain amendments which greatly weakened it. The House went still further and struck out all the words of the Senate bill, then passing its own substitute, called an "Employment-Production Bill," on December 20, 1945.

As finally agreed to in conference and passed by both houses, the law, said Business Week, March 9, 1946, "does not 'guarantee' that the federal government will provide jobs if private industry can't. Nor does it commit federal expenditures adequate to furnish this assurance." It merely states that the government should "promote" maximum employment.

The Act creates in the Executive Office of the President a Council of Economic Advisers, consisting of three full-time persons appointed by the President.

This Council, now made up of Edwin G. Nourse, Chairman, John Davidson Clark and Leon H. Keyserling, is to assist and advise the President in preparing an Economic Report which he is to submit annually within 60 days after the opening of each regular session of Congress, beginning in 1947.

This report is to give information on levels of employment, trends in employment and production, economic conditions affecting employment and a program for carrying out the policy declared in the Act, along with recommendations for legislation to this end.

The Act also establishes a Joint Committee on the Economic Report, consisting of seven members from each House of Congress which is "to make a continuing study of matters relating to the Economic Report." It is supposed to draft legislation based on the report.

**President's Report:** In his first Economic Report to Congress, January 8, 1947, President Truman listed major weaknesses in the economic situation that needed correction. He noted, for example, "the marked decline in real purchasing power of great numbers of consumers, resulting from the large price increases in the second half of last year."

More goods would be produced in 1947, he said. "This requires higher real purchasing power to take the goods off the market." The report warned that "If price and wage adjustments are not made—and made soon enough—there is danger that consumer buying power will falter, orders to manufacturers will decline, production will drop, and unemployment will grow." Even if consumers resorted to large addi-



tional borrowing and use of past savings it "would merely postpone the day of reckoning."

In expressing a wish that industry of its own free will would reduce its prices, the report failed to take account of the fact, revealed by the TNEC and other government investigations, that monopolies do not lower their prices willingly or prior to a depression in which unemployment, declining incomes, and shrinking purchasing power make price declines unavoidable. These monopolies, in most sectors of the American economy, determine price levels and their prices tend to be "sticky" even in near-depression periods.

The report suggested also that labor refrain from demanding "excessive" wages but the term "excessive" was not defined, although it was implied that such demands "would require price increases or would prevent price reductions." But this assumption was contrary to facts revealed by OPA and other authorities that wages were a very minor factor in price rises.

Both short-range and long-range programs were proposed in the report, including many suggestions similar to those made by organized labor. The long-range program contained this introductory statement: "Elimination of wartime controls does not mean that we want to go back to the size of economy we had before the war. The possibilities and requirements of a sustained 200-billion-dollar economy differ from those of an unstable 100-billion-dollar economy."

After making recommendations in various fields—social security, health, foreign loans, small business, regional development, school lunches, agriculture, etc.—the President concluded: "The long-range policies I have outlined are designed to strengthen the structure of the economy and to reinforce its resistance to economic fluctuations."

He said he had directed the Council of Economic Advisers and other government agencies "to make a continuing study of the stabilization devices that may become necessary and to recommend their being placed in operation in ample time to insure the anticipated effect." Among these devices he included "a well-integrated program of employment stabilization, improvements in the process by which workers find jobs and employers find workers, improvements in the tax structure, wise management of the public debt and a flexible credit policy."

Although criticizing this report because it stressed purchasing power and raising minimum wages, and followed in some places "a line of argument of our labor leaders," the NAM News (Jan. 11, 1947), offi-

cial organ of the National Association of Manufacturers, was not alarmed. It assured NAM members that "there is no reason to assume, either by the over-all character of the discussion, or by the arguments used in support of any of the recommendations that those back of the report were subtly attempting to impose a planned economy upon us."

## POSTWAR TAXES

A federal tax bill, swollen by the enormous sums required for war preparations, faced the American people in their second year of peace. The regressive soak-the-poor trend of tax legislation, which President Roosevelt had fought so bitterly, was continued when a reactionary Congress passed the 1945 Revenue Act which freed corporations from liability for further taxation of excess profits.

Total taxes, including federal, state and local taxes, increased from \$13.8 billion in 1939 to approximately \$51 billion in 1946. Federal taxes, which were 37% of the total in 1939, amounted to 73% of the total in 1946.

**Growth in Federal Taxes:** Total federal taxes, borne increasingly by low income earners, rose from \$5.2 billion in 1939 to \$43.8 billion in 1945. The tremendous growth in federal taxes between the fiscal year ended June 30, 1939, and 1945 and 1946 are shown below, the amount of income from each form of tax being given separately. Tentative estimates for 1947 fiscal year are also indicated.

<i>Type of federal tax</i>	<i>1939</i>	<i>1945</i>	<i>1946</i>	<i>1947*</i>
	(in millions, for fiscal year ended June 30)			
Individual income	\$1,029	\$19,034	\$18,705	\$18,000
Corporate income	1,123	4,879	4,640	9,200
Corporate excess-profit	.....	11,004	7,822	.....
Estate and gift	361	643	677	600
Excises, etc	1,909	6,461	7,128	7,300
Social security	740	1,779	1,700	2,000
	<u>\$5,162</u>	<u>\$43,800</u>	<u>\$40,672</u>	<u>\$37,100</u>

\* Estimated.

**Individual Income Taxes:** The 18-fold increase in postwar personal income taxes, compared with the prewar burden, reflects not only the more than doubled national dollar income but the higher federal tax rates and the lowering of the tax-exempt income level.

In 1939, individual federal income tax exemptions were \$2,500 for a married couple plus \$400 for each dependent and \$1,000 for single persons. A 10% "earned income" credit was allowed and the tax rate in the lowest taxable group was 4%.

By 1946, the exemption had been reduced to \$500 for each person and \$2,000 for a family of four. The 10% "earned income" credit had been abolished and the tax rate for the lowest taxable income group was 19%.

Under these rates a married worker, with a wife and two children, making \$3,500, in the face of a 50% increase in the cost of living since 1939, was required to pay a federal income tax of approximately \$220. In 1939 the same worker had paid no tax.

In 1939, individuals with taxable net income of under \$5,000 a year paid less than 10% of the total individual income tax collected by the federal government. In 1942, the last year for which authoritative classified figures are available, individuals in this low income category were already paying almost 50% of the total individual income tax bill. This trend is continuing.

**Revenue Act of 1945:** Main feature of the Revenue Act of 1945 was the elimination of the corporate excess-profits tax as of January 1, 1946. This, together with reductions in corporate income tax rates, was estimated to provide tax savings for corporations amounting to over \$3.1 billion in the calendar year 1946.

The highest tax rate applicable to any bracket of taxable corporate income now stands at 38%. The chief beneficiaries of these tax reductions were the large corporations. Testimony at the Senate Finance Committee hearings on the revenue bill in October, 1945, showed that 70% of the tax reduction resulting from elimination of the excess profits tax would go to the 900 largest corporations, that is, to three-tenths of 1% of the 261,000 corporations paying income taxes.

The reduction in personal income taxes under the 1945 Revenue Act continued the regressive pattern of the 1943 revision; however, it eliminated the objectionable Victory Tax, which was a flat 3% on all income subject only to a \$500 exemption, regardless of marital status or number of dependents. This had been imposed in its original form, over U. S. Treasury opposition, in the 1942 Revenue Act.

The congressional reactionaries, however, more than offset the elimination of the Victory Tax in the 1945 Revenue Act by allowing a flat 5% reduction "across the board." Under this type of reduction the married worker with two children, who earned \$3,500 a year, received

a reduction of about \$12, while the individual with a million dollar taxable net income received a reduction of \$44,000. In the first case, income after taxes was increased from \$3,265 to \$3,277, or by only one-third of 1%. But in the case of the man with the million dollar income, his income after taxes was increased from \$118,000 to \$162,000, or by over 37%.

**Loopholes and Refunds:** One of the marked achievements of the Roosevelt Administration was the destruction of some of the devices and loopholes by which wealthy persons and corporations escaped their just share of taxation. Numerous loopholes still remain, however, such as those which permit married couples in the upper income groups to evade their share of the national tax burden by filing separate returns. And income from state, municipal and some federal bonds, in which the rich put a large proportion of their funds, is still exempt from taxation.

The main refunds permitted to corporations under the revenue laws include the 10% excess profit tax refund. There is also the so-called carry-back provision which permits corporations to refigure their profits and taxes on a five-year average. Besides, there are refunds payable on unamortized emergency facilities (war plants and equipment), and refunds gained by recomputation of the prewar profit level with reference to which wartime excess profits are determined.

The 10% excess profit tax refund has been estimated to total over \$3 billion, while all forms of refund of wartime taxes combined are expected to reach a total of \$10 billion.

**Excise and Sales Taxes:** As indicated in the table on federal taxes above, the amount paid in excise taxes is considerable. It rose from about \$1.9 billion in 1939 to nearly \$6.5 billion in 1945 and to an estimated \$7.1 billion for 1946.

These federal taxes have recently been especially heavy for the lower income consumers of electricity, gasoline, oil, radios, liquor, tires, luggage, refrigerators, tobacco and cigarettes, oleomargarine, sugar, admissions to movies, cosmetics and phone service.

Progressive tax experts propose that all such taxes be abolished except those on obvious luxury items such as high-priced automobiles, jewelry, furs and admissions of over \$5.

Sales taxes, levied by many states and cities, also fall with undue weight on low-income groups. It has been estimated that a sales tax of 2% is equivalent to an income tax of two ten-thousandths of 1% on an

annual income of \$1 million, but on an income of \$2,500 a year it would be equivalent to an income tax of 1%.

**Worker's Income and Taxes:** Tax experts, interested in helping labor to obtain equitable tax legislation, have made rough estimates of the amount of taxes that an average worker in American industry has to pay in the course of a year. This total includes direct income taxes as well as hidden or indirect taxes, both state and local.

They conclude that in 1946 a worker with an average nominal wage of \$45 a week, or \$2,340 a year, would have to pay a total of approximately \$700 in all kinds of taxes. His net wages, after all taxes, thus amounted to about \$1,640.

These figures indicate the need for a tax program that will relieve workers of a good part of the disproportionately heavy burden of taxes which they have carried during and since the war.

**Tax Program:** Recent major demands of progressive organizations for changes in the federal tax law include the following in the personal income field:

Raise personal exemptions for a single individual to \$2,000, for a married couple to \$3,500, with \$750 allowed for each dependent.

Close all loopholes and make all income fully taxable, regardless of its source. Require husbands and wives to file joint returns and tax fully all income from government securities.

Tax capital gains in the same manner as other income and not, as at present, on a straight 25% maximum basis.

In the field of corporate taxes the following changes are advocated:

A more steeply graduated income tax on corporations should be adopted, taking into consideration the desirability of aiding small business.

An additional undistributed profits tax should be levied. This would tend to curb the growth of monopolies and force out the huge accumulations of wartime profits held in corporation treasuries, as well as prevent tax-dodging, through this device, by wealthy stockholders.

## FEDERAL BUDGET

Reactionary trends in taxation are matched by reactionary trends in expenditures by the federal government. In the proposed federal budget for the fiscal year, July 1, 1947, to June 30, 1948, war expenditures are dominant.

In the two tables below we have reclassified the various budget items, grouping them under five main headings, war and war preparations, aftermath of war, aids to property owners, people's welfare, and government operation and expense.

Nearly half of the 1939 budget expenditures went to what we have classified as people's welfare, which includes social security and cultural welfare purposes, housing and public works and development of national resources. But by the fiscal year 1947-48 this percentage had fallen to a little over a tenth of the total. The percentages for each category are given for the same years in the second table.

### U. S. GOVERNMENT BUDGET EXPENDITURES

(in millions)

	1939	(Fiscal years ending June 30)			
	1945	1946	1947*	1948*	
War and war preparations:					
Regular military	\$1,074	\$84,526	\$45,012	\$14,726	\$11,256
Atomic energy	.....	.....	.....	206	444
	<u>1,074</u>	<u>84,526</u>	<u>45,012</u>	<u>14,932</u>	<u>11,700</u>
Aftermath of war:					
Interest and tax refunds	1,009	5,439	7,867	7,115	7,090
Veterans	559	2,094	4,414	7,601	7,343
International affairs, relief and finance	19	677	1,464	6,394	3,510
	<u>1,587</u>	<u>8,210</u>	<u>13,745</u>	<u>21,110</u>	<u>17,943</u>
Aids to property owners:					
Agriculture	1,198	1,615	752	1,117	1,381
Industry and business	218	3,343	670	395	1,218
	<u>1,416</u>	<u>4,958</u>	<u>1,422</u>	<u>1,512</u>	<u>2,599</u>
People's welfare:					
Social security & cultural welfare	4,051	1,399	1,305	1,765	1,860
Housing, public works & resource development	406	233	261	1,660	1,933
	<u>4,457</u>	<u>1,632</u>	<u>1,566</u>	<u>3,425</u>	<u>3,794</u>
Government operation and other expense:	493	1,072	1,969	1,894	1,493
	<u>\$9,027</u>	<u>\$100,398</u>	<u>\$63,714</u>	<u>\$42,873</u>	<u>\$37,528</u>

\* Estimated on basis of President's budget message, Jan. 10, 1947.

## PERCENTAGE DISTRIBUTION OF BUDGET EXPENDITURES

	<i>(Fiscal years ended June 30th)</i>				
	1939	1945	1946	1947*	1948*
War and war preparations	11.9%	84.2%	70.6%	34.8%	31.2%
Aftermath of war	17.6	8.2	21.5	49.2	47.9
Aids to property owners	15.7	4.9	2.3	3.5	6.9
People's welfare	49.4	1.6	2.4	8.0	10.1
Government operation, etc.	5.4	1.1	3.2	4.5	3.9
	100%	100%	100%	100%	100%

\* Estimated on basis of President's budget message, Jan. 10, 1947.

The percentage of the total expended for future wars rose from under 12% in 1939 to over 31% in 1948, while aftermath of war expenditures will take nearly 48% of the total in 1948 compared with under 18% in 1939. Some of these aftermath expenditures are, of course, necessary, like those for war veterans, and may go far to help support purchasing power in a period of economic recession.

As this book goes to press, efforts are being made further to trim down the budgeted expenditures for social security, housing and the development of natural resources.

## PRICE CONTROL, 1945-1947

Government attempts to control prices—with the exception of residential rentals—collapsed in October, 1946, with the removal of meat and livestock from price control by presidential edict, October 14. Controls on most products hobbled along for a few weeks until President Truman ordered official decontrol of everything except sugar and rice, under pressure of the widespread withholding of essential goods by manufacturers who hoped for just such an action.

Total decontrol was precipitated by the weak price control extension act passed by Congress July 25, 1946, after the country had been entirely free of control for almost a month. The new law, ostensibly extending price control until June 30, 1947, actually implemented speedy decontrol. At the same time it provided formulas for raising prices of articles still under control and deprived the Price Administrator of much of his discretionary power.

Passage of even this crippled form of price control was attained only after long months of bitter wrangling in Congress, with the fight against control led by pressure groups spearheaded by the National Association of Manufacturers and by congressmen from the cattle and cotton states.

**Surrender on Steel:** The basis for real price control, however, had received its first blow much earlier in 1946 when President Truman overrode an OPA decision that profits of the big steel companies were sufficiently high to absorb a wage rise granted steel workers. President Truman's action permitted approved wage increases to be reflected in prices and constituted the first breach in the "hold-the-line" policy inaugurated by President Roosevelt, which OPA had followed with relative success until this time. Although a number of price increases had been granted to manufacturers since V-J Day in order to stimulate production of needed goods, consumer prices had been little affected since OPA had required middle-man absorption of price advances wherever they did not cut into "normal" (usually 1936-39) profit rates.

The price increases in costs of basic materials allowed under the new policy, however, made further distributor absorption infeasible. After the new wage-price policy went into effect, OPA allowed an average of 130 industrywide increases a month, as compared with 65 a month in the six months after V-J Day. The effect on price levels was immediate.

From May, 1943, when the hold-the-line policy was introduced, marking a determined effort to hold prices, to V-J Day, the total rise, according to government figures, had been held to about 2% for wholesale prices and 3% for consumer prices. By December, 1945, consumer prices were only 0.5% above the V-J level, and wholesale prices were up only 1.3%. From January to March, 1946, however, consumer prices rose an additional 1% and wholesale prices 1.7%.

In the succeeding three months, the new wage-price policy was reflected in a rise of 2.4% for consumer prices and 3.7% for wholesale prices. Such advances in a short period represented a rate of increase seven and nine times faster than the rate of increase in the preceding 34 months when OPA was holding the cost-of-living line.

**Price Increases and Labor Costs:** For many industries the policy of passing wage increases through to the consumer resulted in an additional windfall. An official OPA tabulation comparing, for 15 industries, the actual price rises with that needed to cover the higher labor cost, showed that to September 30, 1946, 14 industries had received excess increases



varying from one-half of 1% (anthracite coal) to 23% (food).

For the 15 industries as a whole, price increases from January 1945, to September 30, 1946, averaged more than seven times the amount necessary to offset wage increases without any rise in prices. (Office of Price Administration, 19th Quarterly Report, 1947.)

**Sharp Rise after June 30, 1946:** Price controls lapsed on June 30, 1946, while for almost a month Congress continued to debate on an extension act. Before the new law became effective, the wholesale price index had risen 10% above the June level, the largest advances being in food prices which rose 24%; while the consumer price index went up 6%, food alone rising 14%.

The new price control law restored controls on residential rents, consumer and industrial goods, and about 40% of food products. The large number of essential foods removed from control and the price rises made necessary on other products under the terms of the new law, sent prices soaring. From June to October, 1946, the consumer price index advanced 11%, with food alone rising 24%, clothing 6%, and house furnishings 8%. More than half of the increase occurred in July, but prices kept advancing even after reinstitution of control, showing the weakened authority of OPA.

Following the lifting of controls on November 10, prices climbed sharply, particularly in food. By the end of the year the U.S. Bureau of Labor Statistics estimated that its consumer price index, covering retail prices of family living essentials, had risen 18% between December, 1945, and December, 1946. Food alone, it reported, had risen 34% in this period. According to this index, prices had risen 9% in 1942, 3.5% in 1943, 2% in 1944 and 2.5% in 1945, a total of 18%. Thus in one year alone—1946—the rise in the cost of living equalled the total of the four wartime years combined.

That the increases toward the end of 1946 were not more spectacular was due to a strong consumer resistance movement which in many sections of the country forced meat prices below inflationary levels, and on many other goods compelled sellers to proceed slowly.

**Comparison with World War I:** A measure of OPA's success, prior to relaxation of hold-the-line policies, is indicated in a comparison of prices during the two world wars. Based on the last month of peace, consumer prices had risen 31% by V-J Day, or only half the 62% rise that took place by Armistice Day in 1918. Almost 90% of the consumer

price rise in World War II occurred before May, 1943. Wholesale prices in World War II increased 41%, as compared with 102% in World War I.

Rent control was the most successful of all the OPA programs, the total rise in residential rentals having been held to 4% from August, 1939, to the close of 1946.

### III. LABOR AND SOCIAL CONDITIONS

#### DISTRIBUTION OF INCOME AND SAVINGS

Concentration of income and savings in the hands of the higher income groups was clearly revealed in a special study of personal liquid assets, undertaken early in 1946 by the U. S. Bureau of Agricultural Economics at the request of the Federal Reserve Board. (See Federal Reserve Bulletin, June and July, 1946, and National Survey of Liquid Asset Holdings. Spending and Saving, U. S. Bureau of Agricultural Economics, June, 1946.)

**Savings and Other Liquid Assets:** The top 10% of family spending units owned 60% of all liquid assets (savings deposits, U. S. government bonds, and other deposits) at the beginning of 1946, this survey showed. The next 10% owned 17%, so that the top 20% owned 77% of the aggregate amount. The top 30% held 87% of the total assets, while 70% of the spending units had only 13%. (The spending unit in this survey comprised "all persons belonging to the same family and living in the same dwelling unit, who pool their major items of income and expense.")

At the lower end of the scale some 22,500,000 families, representing half (50%) of all family spending units, owned altogether only 3% of the total liquid assets. Some 4,600,000 families, or 10% of all, had only 1% of the total assets, while another 10% had a negligible amount, only one-half of 1% of the total. At the bottom of the scale were over 9 million families, or 20% of all, who had no liquid assets in any form. Here are the figures from this survey:

<i>No. of units (millions)</i>	<i>% of total</i>	<i>Total liquid assets (billions)</i>	<i>% of total</i>
4.6	10	\$48.60	60
4.6	10	13.77	17
4.6	10	8.10	10
9.2	20	8.10	10
4.6	10	1.62	2
4.6	10	.81	1
4.6	10	*	*
9.2	20	none	0

\* Less than one-half of 1%.

The Federal Reserve Board pointed out the significance of these figures: "The bottom 40% had practically no assets, accounting for only 1% of all such assets." The average amount of holdings in dollars of the lowest 40% was only \$40, while the average amount held by the top 10% was \$10,500.

Supporting these government findings, a nation-wide survey, conducted by the CIO Department of Research and Education in August, 1946, showed that 71% of the worker families interviewed had less than \$300 in savings. Many had nothing whatever in reserve.

**Income Groups in 1945:** Nearly half (47%) of all families in the United States had incomes of less than \$2,000 or less than \$38.50 a week in 1945. This was shown by the study of the U. S. Bureau of Agricultural Economics referred to above. It revealed further that 70% of all family spending units received less than \$3,000, or less than \$57.70 a week in 1945.

The study showed that one family in five (20% of all) was getting less than \$1,000 of annual income in 1945. As a group this fifth received only 4% of the total income and had to spend more than was received—dipping into past savings to make ends meet.

Here are the figures from this most recent national survey showing the distribution of income among the 46 million families of the United States in 1945:

- 9,200,000 families, or 20%, had incomes of less than \$1,000.
- 21,620,000 families, or 47%, had incomes of less than \$2,000.
- 32,200,000 families, or 70%, had incomes of less than \$3,000.
- 39,100,000 families, or 85%, had incomes of less than \$4,000.
- 42,320,000 families, or 92%, had incomes of less than \$5,000.
- 3,680,000 families, or 8%, had incomes of over \$5,000.

At the very top was a little group of only 1,200,000 family spending units, or 2.6% of all, who had incomes of over \$7,500 in 1945, this survey showed.

This national survey further revealed that seven out of 10 families in this country did not receive income enough in 1945 to provide the standard of living called for by the Heller Committee budget in that year (See section on family budgets in this chapter.)

**Income in 1941-1942:** The 1945 figures on distribution of income, given above, may be compared with those of the U. S. Bureau of Labor Statistics in its study, *Family Spending and Saving in Wartime* in 1941

and the first quarter of 1942. (Bulletin No. 822, 1945.) Over half (53.7%) of all families in 1942 had incomes of less than \$2,000, this study estimated, while more than a third (39.3%) had yearly incomes of less than \$1,500 in that year.

In this survey, the first of its kind since 1935-36, the BLS cooperated with the Bureau of Human Nutrition and Home Economics of the Department of Agriculture. Exact data were obtained from 1,300 families and single persons in 62 cities and about 1,700 in rural areas.

From these figures the BLS estimated the distribution of annual money income among 34,773,000 families of two or more persons in 1942. It found that 4,474,000 families, or about 13% of all, had incomes of less than \$500 in that year. About three quarters (76.1%) of all had incomes of less than \$3,000. Only about 1,968,000 families, or 5.7% of all, had incomes of over \$5,000.

At the other end of the scale were 1,101,000 families, or 3.2% of all, who had "negative income," in other words no money income, during the period surveyed. Practically all those families without money income were in the rural farm areas and most of these were probably in the South.

As estimated in this BLS survey, a larger proportion (53.7%) of all families were getting under \$2,000 in 1942 than the Bureau of Agricultural Economics-Federal Reserve Board study showed for 1945, when they estimated 47% were below that level. But the value of the dollar fell by about 15% between 1942 and 1945, so that \$2,000 in the earlier year was equivalent to only about \$1,700 in 1945.

## AVERAGE WEEKLY EARNINGS

Workers in manufacturing industries averaged \$43.21 in weekly earnings during the first 10 months of 1946. Those in durable goods industries averaged \$46.01, considerably more than the average of \$40.50 in nondurable goods. Lowest averages—below \$37 weekly—were reported for tobacco, textiles and lumber and timber industries.

In most of the durable goods industries, such as iron and steel, automobiles and electrical machinery, average wages were less in 1946 than they had been in the war years. This decline in "take-home" pay was mainly the result of reductions in overtime hours and rates, and of shifts in employment from the higher-paid wartime to lower-paid peacetime jobs.

In the nondurable and consumer goods industries, on the other hand,

where long hours of work and overtime pay had not been so prevalent during the war, average weekly earnings were higher in 1946 than in the war years, although still below those in the durable goods industries.

The averages for various industries for three years are given below, based on the monthly reports of the U. S. Bureau of Labor Statistics:

#### AVERAGE WEEKLY EARNINGS IN MANUFACTURING INDUSTRIES

<i>Industry</i>	<i>1946*</i>	<i>1945</i>	<i>1944</i>
All manufacturing	\$43.21	\$44.39	\$46.08
Durable goods	46.01	49.05	52.07
Nondurable goods	40.50	38.29	37.12
Tobacco	33.66	31.79	29.94
Textiles	35.31	31.08	29.63
Lumber and timber	36.17	33.80	34.19
Leather	37.02	35.05	33.07
Furniture	38.67	36.68	36.05
Food	42.04	39.51	38.48
Paper	42.85	40.50	38.95
Chemicals	43.96	43.99	43.58
Electrical machinery	45.09	46.43	47.76
Iron and steel	46.86	49.10	50.63
Automobiles	49.13	51.99	57.82
Rubber	49.53	49.54	49.80

\* First ten months.

Behind these averages in each industrial grouping are wide differences, of course, among localities, between higher-paid and lower-paid employees, between earnings of women and men, and between Negro and white workers.

**In Non-Manufacturing Industries:** Average weekly earnings in non-manufacturing industries have been below the average of factories. In October, 1946, weekly earnings in all manufacturing averaged \$45.68. But in telegraph, the average was only \$40.89 a week; in retail trade, \$33.19; in hotels, \$27.17 (in cash); in power laundries, \$30.52; in cleaning and dyeing, \$35.81.

## POSTWAR WAGE RATE INCREASES

During the nine months between August, 1945, and May, 1946, some 3,750,000 workers, or only about one-fourth of all workers in manufacturing industries, received increases of as much as 18½ cents an hour in basic wage rates. This was the pattern set in the steel industry after the workers won their strike in January, 1946. The average increase, however, was only about 14½ cents an hour.

Some three million, or "about one-fifth of all factory workers, received no general increase during this period . . . When all workers are considered, including those not affected by general wage changes, the average gain amounted to about 11½ cents," the U. S. Bureau of Labor Statistics reported. (Monthly Labor Review, Sept., 1946.)

About 2,250,000, or 15% of all manufacturing workers, got increases of less than 10¢ an hour. Another 2,250,000 received gains of 10¢ to 15¢, while about 3,300,000, or 22%, got raises of 15¢ to 18¢.

In non-manufacturing industries, general wage increases during this postwar period were much less. Where granted, the average gain was only 8.4¢ an hour. Since many workers in the trade and service industries were employed by companies that did not grant general increases, the average for these industries as a whole was a little under 3½¢ an hour.

The increases in wage rates have been "offset to a considerable extent by reductions in overtime and by shifts in employment from higher-paid wartime to lower-paid peacetime industries and occupations, by the decline of piecework earnings in some cases and other factors," according to John R. Steelman, director of the Office of War Mobilization and Reconversion (Report, Oct. 1, 1946.) On a straight-time basis, average hourly earnings between May, 1945, and July, 1946, increased by only 9.5% in durable goods manufacturing and 15.1% in nondurable goods manufacturing.

In the 12 months ending October, 1946, weekly earnings of production workers in manufacturing increased by 11½%, the U. S. Bureau of Labor Statistics reported. But there were wide differences among industries, the increase varying from less than 10% to more than 20%.

There was little change in average weekly earnings during the closing months of 1946. But living costs were still rising and leading CIO unions at the turn of the year were formulating specific demands for substantial wage increases.

## SUBSTANDARD WAGES

The minimum wage of 40¢ an hour, as established under the Fair Labor Standards Act, went into effect on October 24, 1945. It was still the legal minimum in the winter of 1947 despite all efforts to amend the Act and raise the minimum wage.

A bill, then known as S.1349, was introduced in the Senate in 1945 to raise the minimum wage from 40¢ to 65¢ and later to 75¢. A subcommittee, of which Sen. Claude Pepper (D. Fla.) was chairman, held extensive hearings on the measure which was then amended to provide 65¢ for two years, 70¢ in the third and fourth years, and 75¢ thereafter.

As passed in the Senate in April, 1946, the bill called for the 65¢ minimum but carried a bad rider including farm labor costs in the formula for calculating farm parity prices. The rider, sponsored by Senators Richard B. Russell (D., Ga.,) and by Rep. Stephen Pace (D., Ga.), was later eliminated by the House labor committee. But the whole measure was killed in June, 1946, just before the 79th Congress adjourned, when the powerful House rules committee refused to give it a place on the calendar.

About two million of the workers covered by the Fair Labor Standards Act were getting less than 65¢ an hour in mid-1946, the Department of Labor's wage and hour division reported. Yet even 65¢ an hour is far below "the minimum standard of living necessary for health, efficiency, and general well-being of workers" which is called for in the words of the Act. At 65¢ an hour, the worker would have \$26 a week or \$1,350 for a full year's work.

In recommending passage of the higher minimum wage bill, the Senate education and labor committee in March, 1946, quoted "authoritative budget studies" to show that "even the family earning \$1 an hour, or \$2,000 a year, is today deprived of such recognized essentials as adequate medical and dental care . . . Families with less than \$2,000 income are continually in debt for the necessities of daily living."

At the National Conference on Labor Legislation in December, 1946, some 200 representatives of state labor departments and organized labor unanimously recommended that the legal minimum wage be raised to 75¢ an hour, with provisions for higher rates later.

**Lowest Hourly Rates:** In tobacco manufacturing, 58% of the workers were getting less than 65¢ an hour in June, 1945. This was the largest percentage to be found in any industry, the Office of Price Administra-



tion showed in a statement on wages and profits presented to the Pepper committee. The industry could raise the minimum pay to 65¢ and still have profits 22% above its pre-war level.

Here are other manufacturing industries in which over one-fifth of the workers were paid less than 65¢ an hour in June, 1945—the percentage indicating the proportion getting less than that rate: lumber and timber (54%), textiles (47%), apparel (38%), furniture (37%), leather (30%), paper (30%), food (28%), stone, clay and glass (27%), electrical equipment (22%), printing and publishing (21%).

Not covered by the Fair Labor Standards Act, and thus not included in arguments for a higher minimum rate under this law, are countless numbers of farm workers, domestic workers, teachers, social workers and others neither in interstate commerce nor employed in the production of goods for interstate commerce. The Department of Labor's wage and hour division estimates that actually more workers are without the protection of this law than are covered by it. State legislation is needed to provide a bulwark "against postwar wage slashing, deflation and consequent unemployment."

## GUARANTEED ANNUAL WAGE

A guaranteed minimum annual wage has been recognized during the past two years as one of the main aspirations of American workers. More and more unions have included the demand in their programs, and a number of companies have now accepted it in union agreements.

CIO President Philip Murray, in his report to the 1946 convention, reminded the delegates "that one of the fundamental aims of the CIO is the establishment of the guaranteed annual wage in American industry in order to achieve full employment."

At least 196 guaranteed wage plans were in operation in early 1946 and two-thirds of them pledged payment of full pay for a year. These plans were studied by a special government committee on guaranteed wages, of which Murray Latimer was chairman. Originally appointed by President Roosevelt in early 1945 to work under the Office of War Mobilization and Reconversion, the committee issued an interim report on the Guaranteed Wage Study in November, 1946. It concluded that a guaranteed annual wage for workers can help stabilize the economy.

While recognizing that it "is not a panacea for the insecurity of our economic system," the Latimer committee concluded that "widespread

wage guarantees can make a substantial contribution to the stabilization of the economy through the stabilization of wage-earner income and hence of consumer expenditures." Even in most seasonal industries wage guarantees can be granted without increasing costs to employers by more than 6% if coordinated with the existing system of the state unemployment compensation.

The report recommended that the government urge the states to allow workers covered under guaranteed wage plans to receive unemployment compensation. Employers paying out guaranteed wage benefits should then be allowed to calculate the unemployment compensation payments as part of their wage guaranties. The committee further recommended that Congress amend the tax laws to allow firms to accumulate tax-free trust funds against future costs of guaranteed wage plans.

Tax laws in 1946 provided some exemption to the wage-guaranteeing employer, the report explained. "For every extra dollar currently paid out in wages under a guarantee, a company with a taxable income of \$50,000 or over has its tax reduced by 38 cents."

Besides providing security for the worker, the Latimer report said, the plans achieve economies for employers because of "improved labor relations," resulting in "a higher rate of productivity."

**Plans in Effect:** Among the first to propose a stabilized wage on a yearly basis were the Steelworkers (CIO) who raised the issue in 1943 and have pressed for it in recent years.

On August 2, 1945, the steel union made public the first contract, in that industry, guaranteeing an annual wage to workers who have completed a stated period of service. Covering 325 employees of the Wildman Mfg. Co., Norristown, Pa., the contract guarantees a minimum of 1,200 hours' work annually for 70% of the plant's labor force—every employee who has completed five years of service. Another agreement signed in July, 1946, between the Steelworkers' Local 2317 and the Beryllium Corp. of Pennsylvania guarantees 2,080 hours' work a year to every employee who has completed five years' continuous service.

One of the older plans first introduced in 1935 and now embodied in the company's contract with the Packinghouse Workers (CIO), Local 9, is in effect at the Austin, Minn., plant of Hormel & Co., covering 95% of the employees. This plan is especially significant because it is in an industry where production fluctuates with the season. It provides 52 nearly equal pay checks a year for a work week which may not exceed

a maximum of 53 hours. Even if the employee works only 24 hours a week, the weekly pay check remains the same.

The State, County and Municipal Workers (CIO), now part of the United Public Workers, announced, April 17, 1945, that the City of New York had signed an agreement with the union guaranteeing a minimum annual wage for important groups of city employees. Under this contract, auto mechanics are assured of \$2,250 for 250 days' work in the year, with overtime pay for any work in excess of 250 days a year. Wheelwrights are guaranteed \$2,600 a year with the same provision for overtime beyond 250 days. Other groups of employees are also guaranteed minimum annual wages.

In August, 1945, the International Typographical Union (AFL) signed a guaranteed annual wage pact with the R. L. Polk Co., directory publishers, in Detroit. This contract assures 50 weeks of work at 40 hours a week during the year at the regular hourly scale of pay. Covering about 80 employees, it applies to all union members with five years' seniority at the plant.

**Unions Seeking Annual Pay:** Among AFL unions urging a study of guarantee plans is the International Ladies Garment Workers which in 1944 directed its executive board to make proposals looking toward minimum annual wages. Textile Workers of America (AFL) in 1945 proposed a guaranteed annual wage as part of its national policy.

Steelworkers (CIO) at their 1946 convention resolved to demand a minimum annual wage in their next general agreement. They seek pay for at least 40 hours each week for 50 weeks each year, plus vacations, for all regular workers who have worked a 3-months' trial period or more. Auto Workers (CIO) are also seeking a guaranteed annual wage as part of a long-range program.

## PAYROLLS, EMPLOYMENT AND REAL WAGES

The trends in payrolls, employment and real wages in manufacturing are given in the following table of index numbers for the years since 1941.

Payrolls in manufacturing, after reaching a peak in 1943, declined during the reconversion period. The total real payrolls in manufacturing are obtained by dividing them by an index of consumer prices which, for the first 10 months of 1946, had risen 56% above the 1939 level and 71% by October, 1946. The resultant real payrolls are then

divided by an index of manufacturing employment to show the trend in real wages per worker.

Thus we find that by October, 1946, the real wages per worker in manufacturing were less than 14% above the prewar level in 1939. It is still more important to note that the real wages per worker in manufacturing were actually lower in 1946 than in the year 1941 before this country entered the war. By October, 1946, real wages per worker were about 4% lower than in 1941.

<i>Year</i>	<i>Payrolls</i>	<i>Prices*</i> (1939=100)	<i>Real payrolls</i>	<i>Employ- ment</i>	<i>Real wages per worker</i>
1941	167.5	107	156.5	132.1	118.5
1943	344.4	137	244.1	177.7	137.3
1945	288.4	147	189.4	149.5	126.7
1946 (10 mos.)	253.6	156	162.6	137.4	117.5
1946 (Oct.)	286.0	171	167.2	147.0	113.7

\* War Production Board price index for 1939-44, and Bureau of Labor Statistics consumer price index for 1945-46.

## REAL WEEKLY WAGES

Real wages of workers may be measured another way—by taking their actual average weekly earnings for various years and then relating them to the rise in consumer prices. This is done in the table below which shows the average weekly wages of workers in manufacturing industry as a whole from 1939 through 1946:

<i>Year</i>	<i>Average weekly wage</i>	<i>Consumer prices*</i>	<i>Real weekly wage</i>
1939	\$23.86	100	\$23.86
1940	25.18	101	24.93
1941	29.60	107	27.66
1942	36.59	122	29.99
1943	43.15	137	31.50
1944	46.06	144	31.98
1945	44.39	147	30.20
1946	43.75	157	27.87

\* War Production Board price index for 1939-44, and Bureau of Labor Statistics consumer price index for 1945-46.

Although the average weekly wage went up markedly during this full war period, the increase in consumer prices has been so sharp that

the real weekly wage, expressed in 1939 dollars, was only about \$4 more in 1946 than it was at the beginning of the war in Europe. This calculation measures the weekly wage before taxes. If, for 1946, the withholding tax were deducted from the weekly wage, we would find the average employed worker in manufacturing only slightly better off in 1946 than in 1939.

## COST OF FAMILY BUDGETS

The Heller Committee for Research in Social Economics at the University of California has prepared and priced, for a number of years, a quantity and cost budget to provide for the "standard health, decency and moral well-being" of a wage-earner's family of four. It is planned to cover the basic needs of a father, mother, boy of 13 and girl of eight.

As priced for September, 1946, in San Francisco, Calif., the Heller budget called for \$3,576 for the year, or about \$68.77 a week, for a 4-person family. This compared with an average of \$2,318 a year in the prewar years 1939, 1940 and 1941, when the budget was priced in March of each year. The increase was thus over 54%.

Although priced only for San Francisco, the Heller family budget is now widely recognized as the most nearly adequate of any such budget. If translated into a rough national average, it shows at least \$3,380, or about \$65 a week, was needed in 1946 to provide even this standard of living for a family of four.

Here is the Heller Committee's budget, as priced for September, 1946, for a wage-earner's family of four in San Francisco:

### YEARLY BUDGET FOR A FOUR-PERSON FAMILY OF A WAGE-EARNER AS OF SEPTEMBER, 1946

(Figures include California sales tax)

<i>Item</i>	<i>Budget</i>
Food	\$1,175.87
Clothing	350.88
Housing (rent and water)	420.00
House operation	112.47
Furnishings	112.53
Miscellaneous	1,112.49
Taxes	292.00
	<hr/>
	\$3,576.24

Among miscellaneous items, this budget includes \$237.15 for medical and dental care; \$113.38 for life insurance; and \$111.32, or a little over \$2 a week, for the family's recreation.

**Comparison With Weekly Wages:** To show how far average weekly wages have fallen below the amount required by this Heller Committee standard budget, we may compare the weekly budget requirements in prewar years, in wartime, and in the postwar period of 1946 with the average weekly earnings in manufacturing industries in the same periods. Here are the figures showing the weekly deficit in each period:

	<i>Weekly budget requirement</i>	<i>Average weekly earnings in mfg.</i>	<i>Weekly deficit</i>
March, 1939-41*	\$44.96	\$26.26	\$18.70
March, 1944	57.00	45.62	11.38
March, 1945	59.15	47.51	11.64
Sept., 1946	68.77	45.41	23.36

\* Average for March, 1939, 1940, 1941.

As the figures above indicate, the weekly deficit was smaller in the war years, when weekly earnings in manufacturing were higher and the budget requirements lower than in 1946. But in the postwar period, as shown in the figures for September, 1946, average weekly earnings had fallen below the 1944 level, while living costs had pushed the weekly budget requirement up to a new high of nearly \$69. The resulting weekly deficit of over \$23 was double that of the war years and nearly \$5 higher than the prewar average.

## RELATIVE POSITION OF THE WORKER

What we call the "relative position of the worker" in the following tables is obtained by dividing his real wages (nominal wages in terms of what they can buy) by his output. The position of the worker in manufacturing, soft coal mining and retail trade is shown for alternate years since 1939.

In the soft coal industry and in retail trade real wages per worker fell way behind output per worker. The worker is putting in more effort and receiving relatively less wages. Hence his "relative position" has slumped seriously since before the war.

In manufacturing the worker has done much better on the whole. By dint of overtime work he was able to keep his pay up during the

war and so his relative position improved slightly. It began to decline with reconversion and is really lower now than the figures indicate. For included among production workers are large numbers who in 1946 were busy with the re-equipping and retooling of former war plants. Hence they appear in the employment index but the results of their work do not appear in the output index. This has the effect of pulling down the productivity index and hence raising the relative position index based on the relationship of real wages and output per worker.

#### INDEX OF WORKER'S RELATIVE POSITION

<i>Year</i>	<i>Manufacturing</i>	<i>Bituminous coal</i>	<i>Retail trade</i>
1939	100.0	100.0	100.0
1941	101.7	120.4	90.0
1943	102.9	92.1	77.9
1945	96.4	91.2	74.5
1946 (10 mos.)	100.7	75.5	61.3

Although the worker in manufacturing has held his relative position during the war years, over a long-range period he has been losing ground. Our studies show that between 1899 and 1946, the relative position of the employed worker in manufacturing declined over 30%.

#### RELATIVE POSITION OF WORKER IN MANUFACTURING (1899-1946)

<i>Year</i>	<i>Output per worker</i>	<i>Total payrolls</i>	<i>Consumer prices</i>	<i>Real payrolls</i>	<i>Real wages per worker</i>	<i>Relative position of worker</i>
1899	100	100	100	100	100	100
1914	127	200	136	147	100	79
1929	195	575	232	248	133	68
1939	212	480	188	255	145	68
1945	279	1384	276	501	190	68
1946	248	1234	295	418	172	69

This table shows that the relative position of the employed worker in the manufacturing industries as a whole declined by about 20% between 1899 and 1914. It declined still further in the following ten years and by the boom year, 1929, just before the great crisis and depression, it was about as low as it was in the latest year, 1946. (Details on the sources and methods used in estimating the relative position of

the employed worker in manufacturing and other industries are given from time to time in our Economic Notes.)

## PRODUCTIVITY OF WORKERS

Increases in productivity in manufacturing industry averaged about 1.9% a year in the 40-year period 1899-1939. During the war, it was estimated by the War Production Board that the increase in manufacturing productivity between 1939 and 1944 was about 25%.

For manufacturing as a whole, the record of output per worker for recent years is given in the table below, based on employment figures of the Department of Commerce and production figures of the Federal Reserve Board.

OUTPUT PER WORKER IN MANUFACTURING

<i>Year</i>	<i>Employment</i>	<i>Output</i>	<i>Output per worker</i>
1939	100.0	100	100.0
1941	132.1	154	116.5
1943	177.7	237	133.4
1945	149.5	196	131.1
1946 (10 mos.)	137.4	160	116.7

The output per worker in manufacturing increased by one-third between 1939 and 1943, a very rapid rise. However, it declined in 1945 and 1946. But this decrease was due to the fact that during the reconversion period a large percentage of employees, who are counted as production workers, were engaged in jobs such as rearranging machinery and equipment which are not included in the index of output.

Productivity touched its low point in January, 1946, and then rose steadily reaching nearly 19% above 1939 level by October, 1946. At the end of the year it was rising further as the durable goods industries increased their production.

Productivity rises were much greater in certain other industries. In bituminous coal mining, figures from government sources show that for the first ten months of 1946 production per miner was up over 68% above the 1939 level. For October, 1946, it was 79% above 1939.

In retail trade, we estimate, on the basis of official figures, that merchandise handled per worker for the first 10 months of 1946 was 37% above the 1939 level.



## EMPLOYMENT, UNEMPLOYMENT AND THE LABOR FORCE

The total labor force reached its peak in 1945. But the number in the civilian labor force reached its peak only after the war in 1946, when it was about 3 million higher than the wartime peak reached in 1942. The number of unemployed reached its low point in 1944 and has since increased by about 1.4 million. The trends from 1940 through 1946 are given in the table below.

Year	Total labor force	Armed forces (in thousands)	Civilian labor force	Employed	Unemployed
1940	54,760	530	54,230	45,340	8,890
1941	55,730	1,640	54,090	49,090	5,000
1942	58,500	4,000	54,500	52,110	2,390
1943	62,830	8,950	53,880	52,410	1,470
1944	63,990	11,370	52,620	51,780	840
1945	64,360	11,610	52,750	51,600	1,150
1946	61,250	3,730	57,520	55,250	2,270

These figures are averages calculated from the monthly data of the Census Bureau. Data for the armed forces are taken from the U.S. Bureau of Labor Statistics.

The figure for average unemployment during 1946 may be somewhat misleading. If we assume that every person who was counted a member of the total labor force in 1945 was capable of work in 1946, we would then estimate the number of unemployed in 1946 at around 5,380,000 instead of 2,270,000. But the Census Bureau simply assumes that these uncounted millions of able-bodied workers are not in the labor force on the ground that they are "not seeking work."

## HOURS OF WORK

When the war ended, working hours in most industries were cut from the long wartime week to the peacetime "normal." This cut, with the accompanying drop in overtime pay, meant that workers' take-home wages were sharply reduced. Many of the strikes in early 1946 were called in an effort to gain hourly pay increases to offset this postwar decline in weekly earnings.

By October, 1946, average weekly hours in manufacturing had dropped to 40.4, compared with a peak of over 45 in 1944 and the early part of

1945. In several non-manufacturing industries, including hotels, power laundries, and cleaning and dyeing, hours were considerably longer than the manufacturing average. Street railway and bus workers in October, 1946, were averaging 47.6 hours a week.

Celebrating in 1946 the 60th anniversary of the great eight-hour day struggles of American labor history, trade unions pointed out that all workers covered by the Fair Labor Standards Act have the basic 40-hour week, with time-and-a-half for overtime.

Not covered by the wage-hour law, however, are farm labor, domestic workers, railroad workers and some smaller groups. Railroad employees, who won the basic eight-hour day in 1916, were still working a 48-hour week at the beginning of 1947. Rail shop workers in 1946 announced their demand for a six-hour day, 36-hour week, with the support of the AFL, but have so far failed to win any shortening of their basic work-week.

**Unions Win Shorter Hours:** Coal miners, both bituminous and anthracite, were on strike early in 1946 for demands which included a shorter work week. In both divisions of the industry the men gained back the basic seven-hour day, 5-day week, which they had had before the war, with time-and-a-half for all overtime hours. A sixth working day of seven hours was to be optional but was to be paid at time-and-a-half rates. Inside mine workers were allowed travel time of 45 minutes a day. With soft coal mines under government operation, however, the United Mine Workers (AFL) was still without a contract with private coal operators. Another strike, called November 21, 1946, ended December 8 when the men returned to work to continue until April 1, 1947, with the same working hours and other conditions. A court decision on their case was pending in early 1947. (See Chap. on Labor Relations.)

Marine workers, united in the Committee for Maritime Unity, gained a marked reduction in hours in contracts signed on June 14, 1946. (See Strikes.)

In an arbitration award on July 25, 1946, some 22,000 members of the New York Hotel Trades Council (AFL) won the 40-hour, five-day week, with time-and-a-half for overtime. All employees, except those paid largely by tips, were included in the agreement which covered 146 hotels in New York City and was retroactive to June 1. Men hotel workers had previously been working 48 hours and women 45 a week. Under the new contract, wages for the shorter hours were to continue the same as those which had prevailed for the longer week, but two

groups of employees were granted pay increases. Hotel unions had been seeking the 40-hour week for a decade.

The International Typographical Union (AFL) in its new contracts signed in 1946 won reductions in working hours from 40 to 37½ a week. Agreements calling for these shorter hours were signed in at least 15 cities in a dozen states.

Clerical workers gained the 5-day week in many offices during the year following the end of the war. A special survey by the National Industrial Conference Board showed that out of 437 companies in 20 cities, 346 had established the 5-day week by the end of 1946.

**Next Steps Outlined:** At its 1946 convention, the AFL went on record again for the 30-hour week (6-hour day and 5-day week) which had been its goal in prewar years. The resolution stressed the point that the shorter workweek is "one of the main objects of every trade union organization."

Several unions affiliated with the CIO went on record in 1946 for a shorter workweek. These included the Packinghouse Workers, who were seeking a 32- to 36-hour week, and the Oil Workers and Rubber Workers who were each seeking a basic six-hour day, 30-hour week.

CIO unions at the end of 1946 were asking portal-to-portal pay for time spent in walking to work-places after punching time-clocks on company premises. By early January, 1947, unions had filed suits totaling over \$3 billion for portal-to-portal pay. They based their claim on two U. S. Supreme Court decisions upholding portal-to-portal pay in cases involving Mine, Mill & Smelter Workers (CIO) and United Mine Workers (now AFL). In the copper miners' case in 1943 against Mt. Clemens Pottery Co., the Supreme Court, June 10, 1946, voted six to two that employees were entitled to pay for necessary walking time, within the plant or mine, to the working face. In the mining industry, this principle has now been established.

Early in 1947, Congress passed a bill outlawing all portal-to-portal pay claims and restricting other claims under the Fair Labor Standards Act. CIO President Philip Murray termed the bill "vicious class legislation."

## SOCIAL SECURITY DEVELOPMENTS

Rounding out 10 years of the social insurance system, the Social Security Administration reported that on January 1, 1947, some 43 million workers had at least some small measure of insurance protection for themselves and their families, or for their families alone.

**Old-Age and Survivors Insurance:** At the end of the first decade of the system (Jan. 1, 1947), 8,200,000 workers and their families were fully insured. This is called "permanent protection." Permanently protected workers are those who have worked continuously in jobs covered by the Social Security Act for the 10 years the Act has been in operation; those whose age is so close to the 65-year retirement mark that they could not lose protection even if they left covered employment; and those who are now 65 or over and are fully insured.

Of the total 43 million insured workers, 710,000 had retired by the end of 1946 and were drawing benefits. Over 600,000 of these retired workers were men and 100,000 were women.

Another 26,800,000 workers had temporary retirement insurance for themselves, and survivors' protection for their families, and were working toward permanent protection. An additional 7,700,000 had temporary survivors' protection for their families but not retirement protection. This "currently insured status is gained by working in covered employment half of the last three years of the worker's life. Only survivors' benefits for children and widows caring for them are payable on the account of a currently insured worker," the Social Security Administration explained.

If temporary insured workers continue in covered employment, they will keep their insured status and build further toward full insurance. But "only the time spent and wages earned in employment covered by the Social Security Act may be counted in determining the insurance status of an individual," the report pointed out. If these workers lose their jobs before they are 65 and have to take work not covered under social security, the report warned, "their benefits will gradually decline with the passage of time, although in no case will an individual benefit or the total of family benefits fall below \$10 a month."

Some 17 million workers in agricultural employment, domestic service, professional, self-employed, and other occupations are not covered at all. The Social Security Administration has repeatedly recommended that these occupations be brought under the social insurance system. But the Wagner-Murray-Dingell bill, with its proposals that coverage be extended to these groups, did not get beyond the committee stage in the 79th Congress.

Benefits paid under the old-age and survivors insurance program (as of Aug. 30, 1946) averaged \$29.40 per family *per month*. Average monthly benefits were as follows: retired man, \$24.80; retired woman,

\$19.80; retired worker and wife, \$38.90; aged widow, \$20.20; widow and one child, \$34.20; surviving parent, \$13.20.

Despite the marked rise in living costs, the average monthly benefit at the end of August, 1946, showed a rise of only 70¢ above the benefit paid in 1943. The very low rate for a retired woman worker reflects the lower wages earned by women during their working life. Amounts to be paid in benefits under social security were originally fixed by Congress on the basis of the Bureau of Labor Statistics price index for 1936. Even this inadequate index showed an increase of about 50% in prices of consumer goods between 1936 and 1946.

**Unemployment Insurance:** By mid-1946, about 36 million workers were eligible to receive compensation under state unemployment insurance laws if they became unemployed. During the fiscal year 1945-1946 a total of 5,263,000 workers received unemployment benefits. This compares with only 594,000 in the previous fiscal year, when some 12 million were in the armed forces and production was still near its wartime peak.

In the United States as a whole, weekly benefits for workers totally unemployed averaged \$18.81 in the fiscal year to July, 1946. This was an increase of a little over \$2 above the average weekly benefit of \$16.70 in 1944-45. By the end of 1946, the average weekly unemployment insurance benefit was \$18.27.

Behind the average figures there were wide differences among the states. Utah paid the highest benefit, averaging \$23.60 in 1945-1946. This is the only state that has any provision for increasing the benefit as the cost of living rises. North Carolina paid the lowest, averaging \$12.31, with Kentucky next at \$12.53. In all but six states benefits averaged less than \$20 a week. These averages were shown in the Annual Report of the Social Security Administration, issued in January, 1947.

In 28 states the maximum period for receiving unemployment compensation is now 26 weeks. In 16 states, workers are covered for unemployment insurance regardless of the number employed in the establishment, but 22 states still do not provide such insurance for employees in concerns employing fewer than eight.

Many states deny unemployment benefits to workers involved in labor disputes. In the coal strike of November, 1946, most coal-mining states refused to pay benefits to striking miners. Ohio, Illinois, Virginia, West Virginia, Kentucky and several other states have laws denying payments to any strikers. Tennessee and Pennsylvania ruled especially against any payment to the miners in November, 1946, because it was alleged

they were "striking against the government." (N. Y. Times, Nov. 21, 1946.)

**Veterans' Unemployment Benefits:** Jobless veterans receiving "readjustment allowances" numbered 964,748 at the end of November, 1946, compared with 1,724,000 veterans on the jobless rolls at the peak in July, 1946. This was in addition to the number of civilians collecting unemployment insurance under the Social Security Act.

Under the Servicemen's Readjustment Act of 1944, unemployed veterans may collect \$20 a week up to a maximum of 52 weeks. In the two years between the autumn of 1944 and the end of 1946, over six million veterans had filed claims for readjustment allowances under this law, the Veterans Administration reported.

By the end of 1946, over 66,600 veterans who had filed claims more than a year earlier had exhausted their readjustment allowances of \$20 for the 52 weeks, and many of these ex-servicemen still remained unemployed. In 10 states about a third of the jobless veterans had been on the rolls for at least 20 weeks.

The drop in the number of unemployed veterans in the autumn of 1946 was not due to increased employment, the Social Security Administration explained, but because new school and college terms got under way. Under the "G. I. Bill of Rights" a veteran may study in any school he chooses and tuition costs are paid by the government. But veterans found that the subsistence allowance of only \$50 to \$75 a month, paid by the government, was entirely inadequate for food and lodging. Many ex-servicemen who were trying to get further education were forced to take any part-time jobs they could find to supplement the meager allowances.

**Improvements Needed:** One of the last acts of the 79th Congress was again to freeze the payroll tax for old-age and survivors benefits at 1% for employers and the same for employees. This continued for one year from January 1, 1947, the rate which had been scheduled to rise in 1943 to 2% and later to 3%. In the face of labor opposition, reactionaries led by Sen. Arthur H. Vandenberg (R., Mich.), have repeatedly succeeded in freezing the tax at a rate which endangers the whole social security system.

Social Security Administration Commissioner Arthur J. Altmeyer in September, 1946, urged expansion of social security on a single, comprehensive, contributory basis to cover hazards of unemployment, temporary disability, permanent disability, old age and death. He expressed

confidence that, depending upon exact benefits provided, such a comprehensive system would be more than covered by a combined payroll contribution by workers and employers of 4% each. The combined rate of tax would thus be 8% of total payrolls. (Social Security Bulletin, Nov., 1946.)

Average benefits should be increased by 45% to 50% over the future estimated benefits under the present law, Altmeyer urged. Benefits should be paid immediately when a worker becomes permanently injured.

Many of these recommendations from the Social Security Administration Commissioner were included in the Wagner-Murray-Dingell bill in the 79th Congress (1945-46). Aimed to provide for the national security, health and public welfare, the measure would add about 15 million workers to those covered under the present law. It would put unemployment insurance under federal control. It would provide increased retirement, survivors and total disability benefits, with a minimum of \$20 and a maximum of \$120 a month. The House Ways and Means Committee held hearings on the bill but took no action on it.

Labor spokesmen opposed the return of the U. S. Employment Service at the end of 1946 to state operation and control. Its continuance under federal control would have insured uniform standards of operation, they pointed out. State employment service officials may interpret "suitable work" and "available labor" in such a way as to force jobless workers into substandard jobs. If they do not take such jobs they may be threatened with loss of unemployment compensation.

## HEALTH NEEDS AND NATIONAL HEALTH BILL

Nearly 4,500,000 draftees were rejected as physically unfit for military service during the five years after the draft law was passed in 1940. Over 40% of the young men and women of draft age were either rejected for poor health or physical deficiencies, or were medically discharged after induction, or required extensive rehabilitation while in the military services.

The high rate of rejections for physical defects is an indication of general health conditions and of the urgency of health needs in the United States. Reports of the Senate sub-committee on wartime health and education estimated in 1945-1946 that from eight to nine million men of draft age were physically unfit for military duty.

This sub-committee, of which Sen. Claude Pepper (D., Fla.) was

chairman, concluded after extensive hearings that voluntary health insurance had proved inadequate to meet the need for medical care in this country. It found "that national compulsory health insurance is the most economical and efficient way to assure medical care for all our people."

"Only 3% of the population now gets complete prepayment medical services and three-quarters of our population have no medical-care insurance at all," the Pepper committee reported in July, 1946. The number covered by existing private "voluntary" medical care prepayment plans is increasing, but "these plans generally cover only hospital bills and such bills comprise only a sixth of the average family's medical costs. They do not meet anywhere near fully the medical-care needs of even those enrolled." They do not provide preventive day-to-day medical care.

The committee listed among other defects of private medical insurance: over-lapping and duplication of plans, high promotional and administrative costs, and unsuitability to the needs of an increasingly migrant population. Many people are not eligible for any of the private plans. Many others cannot afford to join.

Even the American Medical Association itself admitted in 1939 that families earning less than \$3,000 a year cannot afford the expenses of a major illness. (See Factual Data on Medical Economics.) In that year over 75% of all families had less than that much yearly income.

**Health Insurance:** The National Health Bill of 1945 was introduced in the Senate on Nov. 19, 1945, by Senators Robert F. Wagner (D., N. Y.) and James E. Murray (D., Mont.) and in the House by Rep. John D. Dingell (D., Mich.) It embodies the health program features of the original Wagner-Murray-Dingell Bill (in the 79th Congress) and would make prepaid health insurance a part of the social security system.

The bill provides full medical and surgical care. It includes hospital care for 60 days (annually), at a cost up to \$7 a day for the first 30 days and up to \$4.50 a day for the next 30 days. It provides also dental and eye care, nursing, X-ray and other laboratory services. Preventive medical care, including health examinations, would become available for all insured persons.

Community health services would be expanded through federal grants to states, ranging from 50% to 75% of what each state spends for these services. Prevention and care of venereal diseases, tuberculosis, and other diseases, maternity care and child health care would be greatly expanded



under the program. The poorer states would receive greater aid than those better able to provide such public health services.

The bill also provides for research and the training of personnel, which would improve available facilities and quality of service.

Under this measure, the patient would have his choice of any doctor or institution participating in the plan. Every qualified doctor or institution would be eligible to participate but no doctor or institution would be compelled to do so. The physician would be entirely free if he so chooses to remain a purely private practitioner. The bill in no way interferes with voluntary health organizations.

All persons employed in industry, commerce (except railroad workers who are separately covered) and agriculture would be included, as well as farmers, small business men, domestic workers, employees of non-profit organizations, the self-employed, wives, children up to 18 years, disabled husbands, dependent parents, and pensioners. Government workers may become eligible if the agency involved contributes to the health fund. The coverage would be practically all-inclusive.

**Financing the Fund:** A special fund would be set up in the U. S. Treasury Department, to be known as the "Personal Health Services Account" and would equal 3% of all wages and remuneration up to \$3,600 a year. Employers and employees would each contribute at the rate of 1½% of wages or payroll. The self-employed would contribute 3% of their annual income. The 3% contribution may be increased, if necessary, to as much as 4% in the future.

Physicians would be paid on a free-service, straight salary or per capita basis, or a combination of these, according to the decision reached within each local area.

**Administration:** The U. S. Public Health Service would administer the program and a national advisory council of professional men and representatives of the public would advise the Surgeon-General. Aside from this general administration, which would set the standards, local autonomy would be assured. State and local agencies would be used to provide health and medical services.

**Support for Health Insurance:** Among the groups supporting the bill in 1946 were the Physicians' Forum for the Study of Medical Care and the Committee for the Nation's Health. The latter organization is composed of medical men, labor representatives, and others, who feel the urgent necessity of a compulsory national health insurance program. The chairman is Dr. Channing Frothingham, former head of the Massachu-

setts State Medical Society. William Green and Philip Murray are vice-presidents of the organization. Both the AFL and CIO have gone on record in favor of the measure.

The CNH has been leading in the fight for a national health insurance plan. It has pointed out that everyone would benefit from prepaid health insurance irrespective of where they live or their ability to pay. The nation's health standards would be raised. Employers would benefit from a decrease in the days lost through illness. The income of the average doctor and hospital would become more stabilized.

**Opposition to the Bill:** Led by the American Medical Association and the so-called National Physicians' Committee for the Extension of Medical Services, the patent medicine companies and medical reactionaries have attacked the measure as "government regimentation" and "socialized medicine." The AMA in this campaign was described by Dr. Ernst Boas, chairman of the Physicians' Forum, as "a guild battling to retain the economic privileges of the medical profession." (Hearings before the Senate Labor Committee, p. 742.)

As a counter proposal, the AMA advocates a plan to have the government grant funds to the states to provide medical assistance to those unable to pay for it. A bill to this effect was introduced in May, 1946, by Senators Robert A. Taft (R., Ohio), Joseph H. Ball, (R., Minn.) and H. Alexander Smith (R., N. J.). It would distribute \$200 million annually to the states which would be added to the state funds appropriated for medical care. This would place chief responsibility for the people's health on state and local agencies and would inevitably give the local medical societies control over the entire program.

Beneficiaries under this Taft substitute would be subject to an investigation of their ability to pay, much as in the old relief days. It is designed to provide a "charity" type of medical care. Benefits would be small and the majority of small-income families would not be covered.

## DEATHS AND WORK INJURIES

About 16,500 workers were killed and over two million were injured by industrial accidents in 1946, the U. S. Bureau of Labor Statistics reported. Total work injuries showed an increase of 2% above the 1945 total.

Total actual time loss caused by disabling work injuries during 1946

was estimated at about 47 million man-days, equal to fulltime employment for about 156,000 workers for a year. But this figure does not allow for the future economic losses caused by deaths and permanent impairments. If standard time charges are allowed for these, the total economic loss caused by 1946 work injuries comes to over 237 million days, or the fulltime annual employment of about 790,000 workers, the Bureau estimated.

In addition to those killed, another 1,800 were estimated to have been permanently and totally disabled for industrial employment. More than 93,000 other workers were permanently impaired. A large number of these disabilities involved a hand or fingers. More than 1,951,000 of all the work injuries resulted in temporary total disabilities.

Explaining the increase in the total number of work injuries in 1946, the BLS said in its release (No. 329, Jan., 1947) that "growing employment is associated with increasing numbers of work injuries. Current reports indicate, however, that the increase during 1946 was due partly also to a higher incidence of injuries as reflected in higher frequency rates. This trend bears out reports that many establishments have eased up on their efforts to prevent work injuries."

Figures showing the estimated number of disabling injuries and fatalities during 1946, by industry group, were as follows:

<i>Industry</i>	<i>All disabilities</i>	<i>Fatalities</i>
All groups	2,063,100	16,500
Agriculture	323,600	4,500
Mining and quarrying	83,800	1,300
Construction	151,100	2,200
Manufacturing	541,500	2,500
Public utilities	25,500	400
Trade	333,100	1,400
Railroads	76,000	800
Transportation (miscellaneous)	132,800	900
Services, government and other industries	395,700	2,500

**Injury-frequency Rates:** In manufacturing, the injury-frequency rate was 18.15 in the first half of 1946, compared with 18.6 in the whole year 1945 and 18.4 in 1944. The frequency rate represents the average number of disabling injuries for each million employee-hours worked.

Sawmills showed the high rate of 58.9 in the first half of 1946, 56.6 in 1945, and 55.6 in 1944. Iron foundries had a rate of 46.5 in the first half of 1946, and 44.8 in 1945.

Stevedoring is reported as the most hazardous of non-manufacturing industries with a frequency rate of 87.6 in 1945 and 88.1 in 1944. The BLS says that even these high rates probably "fall considerably short of the true frequency rate for this industry."

**Coal Mining Hazards:** Among the most dangerous industries is coal mining. Not only spectacular major disasters but day-by-day falls of roof and face, as well as haulage accidents, take a heavy toll among the nation's coal miners.

Accident frequency rate in coal mining in 1945 was 50.53 per million man-hours worked, compared with an all-industry rate of 14.46.

During 1946, coal mining accidents killed 974 men. Two major disasters occurred, one in January, and one in April, both in soft coal mining, killing a total of 27 men.

A Federal Safety Code for Bituminous and Lignite Mines of the U.S. was in effect during the months of 1946 while the federal government operated the soft coal mines. The code was drawn up by the U. S. Bureau of Mines and representatives of operators and United Mine Workers (AFL). Enforcement rested with the Bureau. Violations were called to attention of mine-operating managers by the union. Under private operation of mines, state safety laws have proved inadequate because federal mine inspectors could only make recommendations and had no power of enforcement.

**Compensation Benefits Inadequate:** Under general state workmen's compensation laws, the benefits have not kept pace with the rise in living costs, the U. S. Department of Labor reported in December, 1946. Its survey revealed also that not more than 50% of gainfully employed workers in the country as a whole were protected by the state compensation laws. The report concluded:

"Workmen's compensation benefits have steadily lost ground. . . . Instead of an integrated program enabling benefit provisions to be increased without increasing the level of insurance rates, reduction in the rates for insurance have been made." These rates are paid by the employers.

Maximum weekly benefits in 1946 were as high as \$30 a week in California and Connecticut, but only from \$18 to \$25 in most states. All benefits in 1946 were only a fraction of current wages.

Representatives of organized labor and state labor departments at the National Conference on Labor Legislation in December, 1946, approved universal coverage of workers by workmen's compensation laws (excepting railroad employees who are still under the federal liabilities act), and an increase in benefits to two-thirds the regular income of disabled workers. They also urged death benefits under compensation laws to widows and to children under 18, without statutory limit on total payments.

## INDUSTRIAL DISEASES

Industrial skin diseases increased considerably during the war years as a result of the increased use of all kinds of oil and other lubricants which clog the pores. During the war period more than half of all occupational disease cases receiving workmen's compensation were caused by such dermatoses.

Increased use of chemicals also created many new hazards involving burns, inflammation of bodily organs, and irritation of membranes. The division of labor standards of the U. S. Department of Labor issued specific information on preventive measures to be taken. These directives dealt with every kind of occupational hazard, including the control of dust and allied hazards. Dust and poisonous gases were recognized as the chief dangers encountered by industrial workers.

Tuberculosis continues to take a heavy toll of industrial workers despite the progress made in combatting this disease. Over 40,000 wage earners died from tuberculosis in 1943, and 17 million man-days of work were lost from disabilities due to this disease in that year.

**Silicosis:** This disease of the lungs is still considered incurable but is preventable. It is a menace to foundry workers, rock drillers, sand-blasters and others who daily breathe minute particles of sand or metal.

Aluminum therapy is now widely used for the prevention and treatment of the disease. Several thousand workers in mining, ceramics and foundry industries have been treated successfully. Aluminum particles are pumped into the lungs by a nozzle fitting over the mouth. These aluminum particles react against silica particles and prevent them from attacking the lung tissues. The value of this discovery lies in counteracting that amount of dust which may escape the best possible methods of control. It is by no means a substitute for dust elimination measures. (Industrial Medicine, Sept., 1946.)

**Poisons in Industry:** Sodium fluoride powder used to settle molten steel at a faster rate (and thus speed production) is a serious danger to workers breathing the fumes generated when this powder is poured on the boiling metal. Crane operators at the Ford River Rouge open hearth department, members of Local 600, UAW-CIO, quit their posts in October, 1946, when one operator was compelled to spend 24 hours in an oxygen tent recovering from the poisonous effects of these fumes. Immediate symptoms are coughing, vomiting, blackout and severe headaches. United Steelworkers, Local 1299, experienced a similar situation in the River Rouge plant of the Great Lakes Steel Co. in 1941. The use of sodium fluoride was then abandoned. But the Ford management at first refused to give up the use of this deadly poisonous substance. As a result of protests, however, it was compelled to withdraw it from general use until adequate safety devices are found.

New hazards in industry include toxic metals, synthetic rubber, plastics and radioactive materials.

In munitions plants the disability and death rates were kept at a much lower rate in World War II as the result of an effective wartime industrial hygiene program, with the U.S. Public Health Service working closely with the War Department.

Only 22 persons died from TNT poisoning during the recent war in all government-owned plants which produced 95% of all explosives. This record contrasted with 475 deaths in seven and one-half months in World War I. The number employed in explosive industries was far greater in World War II than in World War I.

The Public Health Service investigated the dangers in producing the new explosive Petn and established preventive measures before it was put into mass production. The cemented tungsten carbide tool industry was under investigation in 1946 and other industries will be similarly studied.

**Methods of Reducing Industrial Diseases:** Standard safeguards in preventing industrial hazards include the following: Substitute non-poisonous for poisonous substances wherever possible. Isolate dangerous processes in production. Install exhaust and ventilating systems, use water and oil to prevent dust from rising, and keep materials in dust-tight enclosures. Popularize use of protective clothing, ointments and habits of personal cleanliness. Provide special respirators for unavoidable dust and other particles in the air. Provide adequate washing facilities and showers to remove poisonous substances frequently. Adequate

time should be allowed at lunch period to remove substances before eating. Provide educational programs and medical services. (See *Medicine in Industry*, by Bernhard J. Stern, pp. 92-93.)

Unions can do much through industrial health programs, it was pointed out by the committee on safety and health and workmen's compensation of the 12th National Conference on Labor Legislation in December, 1945. Such programs should be incorporated<sup>\*</sup> in collective bargaining agreements.

All emergency safety agencies functioning during the war were discontinued after V-J day and responsibility for safeguarding the worker from accidents and disease reverted to the states. But the state funds for such purposes are entirely inadequate. Only 1% of the total state health budgets was allotted to this phase of health work in 1945. In 1946, Congress appropriated \$1,600,000 for industrial health programs, including \$600,000 allotted for grants-in-aid to the states. Only about 10% of industrial workers are protected by industrial hygiene services, it was estimated by the Public Health Service in 1946.

**Legislation:** Colorado, Florida, Maine and New Mexico enacted occupational disease laws in 1945. By the end of 1946, 32 states offered some protection against industrial hazards by compelling payment of compensation. Of the four states joining this group in 1945, only the Florida law covers all types of disease directly attributed to occupation. Workers unable to carry on their duties because of physical or mental illness or injury are now protected under a new California disability insurance act, passed in 1946.

## HOUSING NEEDS AND PROGRAMS

A critical shortage of houses existed in the United States even during war years when almost no new homes were being built. By the end of 1945 it had reached a state of emergency, but despite good housing programs little was done during 1946 to relieve the critical situation.

During four war years the number of marriages increased by more than 8% and the number of new households needing new homes grew to 3,600,000 in 1946. Some 2,900,000 married veterans of World War II were in need of homes before the end of the war. Many of them were living in furnished rooms or doubling up with in-laws. Others were living in huts, trailers, or even in tents.

In 1946, 39% of all city housing in the United States was below mini-

mum health and safety requirements. Over 9% of all non-farm housing units had no running water or plumbing. An additional 11% lacked private flush toilets and private baths. Another 10% needed major repairs. These facts were brought out by Wilson W. Wyatt, administrator of the National Housing Agency and housing expediter, in his testimony in July, 1946, before the House banking and currency committee on the Wagner-Ellender-Taft housing bill.

More than 16 million dwelling units would be required within the 10 years from 1946 through 1955 to meet the housing needs. This was the estimate early in 1946 of the Federal Public Housing Authority, one of the main units of the National Housing Agency.

In his testimony in March, 1946, on the emergency housing bill, Wyatt called for the building of 12,600,000 new non-farm dwelling units during the 10 years (1946-55). Taking into account the expected growth of the population, the NHA estimated that a total of 38,732,000 dwelling units, including old and new, would be required by 1955.

Of the needed 12,600,000 new dwelling units in urban areas, more than a third (36%) should be for families who can afford less than \$30 a month for rent or towards purchase, the NHA said. These are called "low-income" families.

Nearly a third of the total should be for families who can pay \$30 to \$49 a month. These may be called "middle-income" families. The remaining third (33%) of the total may be for families who can pay \$50 a month or more. These are called the "upper-income" families.

For rent and household operation an average expenditure of 29% of a family's income was necessary in peacetime years, the NHA reported. Thus a family with weekly income of \$40 must pay \$50 a month for housing. Yet a family with income of \$40 a week in 1946 was hardly to be considered in the "upper-income" group.

**Building for Profit:** While the greatest need is for housing for the low-income families, private construction companies are interested mainly in the high-priced home building which brings them more profit. This was charged by Nathan Straus, former National Housing Administrator, in his lectures on housing in December, 1946.

In the peak building year 1925, some 937,000 units were erected but this peak has never again been reached. Home building was declining in the latter part of 1946 "in the midst of the most acute housing shortage in history," as the Journal of Commerce (Dec. 12, 1946) described it.



**Housing for Veterans:** Under the veterans' emergency housing program, announced in February, 1946, and headed by W. W. Wyatt, 2,700,000 new low-priced dwelling units were to be started in the two years, 1946-1947. Of these 1,200,000 were to be started in 1946. Nearly a million new homes were started and 662,000 were completed in the full year, 1946, the National Housing Agency estimated.

But this program was slowed and then destroyed after the Republican victory in the November elections. It was under constant attack by the National Association of Real Estate Boards and other private interests. President Truman removed price controls and restrictions on building materials in November. In his presidential order of December 14, 1946, he removed the \$10,000 price ceiling on new homes. He changed the \$80 a month *maximum* rental to allow an *average* of \$80 on rental units. Priorities for veterans' homes were discontinued. Anyone could build a home for personal occupancy. In protest over the lifting of price controls and the lack of cooperation from the Reconstruction Finance Corp. and other government agencies in carrying through the housing program, Wyatt early in December resigned as NHA administrator and housing expediter.

The new \$80 a month average rental set by President Truman's order in December, 1946, is far above the amount most veterans can afford to pay. The U. S. War Department, in a special survey at separation centers in March, 1946, found that only 14% of the veterans can afford home payments of over \$50 a month, and only 11% can pay \$50 or more in rent.

Over half (55%) of the veterans, the War Department reported, can afford to pay only from \$30 to \$50 a month as rental or home payments. About one-third (34%) of the veterans can afford only rental or home payments of less than \$30 a month. This survey revealed the need for price and rent control and for public-housing projects providing for veterans the housing they can afford.

Of all the rental units granted priorities under the 1946 veterans' program, about 36% were calculated to rent for \$50 a month or less. But in August and September, 1946, under-\$50 rental units represented less than 19% of the total.

Some aid for veterans' housing came from the Emergency Housing Act, which embodied some of the Wyatt program. Introduced by Rep. Wright Patman (D., Texas) this measure passed in May, 1946. It provided preference for veterans in the purchase and rental of new housing.

It also provided \$400 million to spur production of critical materials by means of premium payments. It increased by \$1 billion the authority of the F.H.A. to insure mortgages on new residences up to 90% of their assessed value. It called for a partial government guarantee to the manufacturers of prefabricated houses against losses they might incur in experimenting with this method of housing construction.

While aimed to speed housing construction, especially for veterans, the Emergency Housing Act had no provision for building homes that would rent or sell for the price veterans could pay.

**Wagner-Ellender-Taft Bill:** Introduced by Senators Robert F. Wagner (D., N.Y.), Allen J. Ellender (D., La.) and Robert A. Taft (R., Ohio) in the 79th Congress in 1945, this measure was known as the general housing bill of 1945. It was described by its sponsors as aimed to provide a long-range housing program. The Senate passed this bill in April, 1946, but the 79th Congress adjourned without action on it by the House.

The W-E-T bill would consolidate the now scattered housing activities of the federal government under a single National Housing Agency. It authorized a comprehensive program of technical and economic research to reduce housing costs and stimulate production of housing.

Operation of the Federal Home Loan Bank Administration and Federal Housing Administration would be expanded to serve more effectively the moderate income groups and returning veterans. FHA would be permitted to insure loans on a more generous basis. It would defer mortgage payments in case of unemployment or other economic hardship. All contracts under FHA-insured loans would require payment of wages prevailing in the locality.

The bill would establish a special FHA mortgage insurance plan for aiding middle-income families. It would require a down payment of only 5% and would insure the house up to 95% of the appraised value. A family could thus purchase a \$5,000 home with a down payment of only \$250. Maximum interest rate would be reduced from 5% to 4%.

For encouraging large investors, such as life insurance companies, to invest directly in housing for moderate income families, the FHA would guarantee a minimum return of 2¾% a year on the investment, plus 2% for amortization. The rent schedule would have to be approved by FHA, to insure low rentals.

By means of loans and annual contributions, federal aid would be ex-

tended to local communities to acquire land in slum and blighted areas of cities, and to prepare the land for redevelopment. It would encourage privately financed redevelopment but would make possible federal aid if private enterprise could not do it alone.

It would expand the low-rent public housing program by providing federal loans and subsidies to local public agencies for construction of 500,000 additional low-rent housing units. Families of veterans would be given preference for admission to these units.

Federal aid would also be extended for housing on farms and in rural areas. Loans would be granted for dwellings on "adequate" farms, for improvements of "potentially adequate" farms and for minor housing improvements. These farm loans would be administered by the Secretary of Agriculture.

Permanent public war housing now owned by the federal government would be sold to communities for local low-rent housing, with preference to the families of veterans. A final provision of the bill calls for a survey of the whole housing situation at least once a year by the National Housing Agency.

**Labor's Program:** At its 1946 convention the AFL endorsed the Wagner-Ellender-Taft bill. Its executive council reported that the 79th Congress failed to pass the measure because "a small but strong lobby of the speculative elements in the real estate and mortgage lending field succeeded in blocking the bill in the House Banking & Currency Committee." The AFL pledged to redouble its efforts in 1947 for enactment of a comprehensive postwar housing program.

The CIO at its 1946 convention urged that the number of dwelling units to be built be increased to two million a year. It endorsed the W-E-T general housing bill and called for amendments to the Patman act to make available more prefabricated houses. It urged that all deferrable and non-essential construction be eliminated to assure adequate supply of materials for veterans' housing. It called for cooperative housing groups to be formed by labor and veterans to deal directly with producers of industrialized housing and thus "sharply reduce the cost of marketing houses by reducing middlemen profits."

## WHITE COLLAR WORKERS

Some two million of about 12 million white collar workers in the United States were still earning less than 65¢ an hour in 1946. This was the estimate of Henry A. Wallace, then Secretary of Commerce, in his

address in February, 1946, to the United Office & Professional Workers' national convention. A wage of 65¢ an hour means earnings of only about \$1,350 a year.

During the four war years, 1941 through 1945, salaries in the white collar field increased only about 16%, the UOPWA reported in 1946, on the basis of special salary studies among its members. During the war years, it found, the average white collar salary was only \$28 a week, compared to an average industrial worker's wage of \$43. Between August, 1945, when the war ended, and the beginning of the year 1947, over 60% of all white collar employees received no salary increase at all, the UOPWA reported. Only 5% received as much or over the 18½¢ hourly raise won by many industrial workers.

**Low Salaries:** Clerical salaries have not kept pace with wages in the manufacturing industries, the National Industrial Conference Board reveals in its regular semi-annual salary surveys. In October, 1946, the clerical salary rates showed a median of no more than \$38 a week. These salary rates do not include overtime but do include incentives and bonuses earned during regular working hours.

Here are the figures showing median rates for certain clerical salaries reported by 437 companies in 20 cities in October, 1946; file clerk, \$31; junior copy typist, \$30; senior copy typist, \$36; stenographer, \$38; comptometer operator, \$37. (The "median" means that half earned more and half earned less than the amount shown.)

These low salaries may be compared with the budget for the family of a white collar worker, as priced by the Heller Committee at the University of California. This committee found that in 1945 a white collar worker needed \$3,781, nearly \$73 a week, to provide for the "standard health, decency and moral well-being" of his family, consisting of himself, his wife, a boy of 13 and a girl of eight.

**Teachers Seek More Pay:** In educational services, including teachers, the average salary in the United States in 1945 was only \$1,636, or about \$31.50 a week, the U. S. Department of Commerce reported. In the school year, 1944-1945, teachers' salaries in the United States averaged \$1,846, the National Education Association estimated. There was a wide variation among the states in pay scales, ranging from a low of \$842 in Mississippi to a high of \$2,783 in New York. These figures were reported by the U. S. Office of Education.

Because of these low rates of pay, teachers were leaving the profession, the NEA reported. With a normal employment of about 900,000

teachers each year, 350,000 trained teachers left the profession between 1939 and 1946. Many teaching positions, the NEA said, had been "kept only by the employment of three or four different persons in succession during a single year."

Salaries were so low that in 1946 teachers in many communities demanded increases. In Norwalk, Conn., teachers went on strike in September, 1946, and gained salary increases up to a \$4,500 maximum. In St. Paul, Minn., over 1,000 school teachers won higher pay in December, 1946, after a month's strike, but the increase was defeated in a later vote on a city charter amendment. After a week's strike ending March 3, 1946, some 2,400 public school teachers in Buffalo, N. Y., won salary increases of \$300 to \$625 a year.

In New York City, where educational salaries are generally higher, a teacher in elementary schools in 1946 still started at only \$1,608 a year. After 13 years, the salary was scheduled to rise to \$3,390. A teacher in senior high school, starting at only \$2,148, after 15 years' experience would get the top salary of \$4,500. Before the end of 1946, New York teachers were engaged in a state-wide campaign demanding permanent salary increases of \$1,050 a year for all teachers and staff members of the city's school system.

**White Collar Organizations:** Some 1,500,000 white collar workers were organized in trade unions by the end of 1946. But over 10 million eligible to membership were still unorganized.

United Office & Professional Workers (CIO) increased its numbers during 1946 by about 10,000, of whom some 5,000 had been members of the Federation of Architects, Engineers & Technicians. FAECT merged with the larger union in April, 1946, and UOPWA's scientific and technical division was established. By the year-end UOPWA reported over 70,000 members.

State, County & Municipal Workers and United Federal Workers merged in April, 1946, to form the United Public Workers. By the end of the year, this had about 90,000 members. The newly formed union announced that legislation, negotiation and education would be its basic means of achieving its objectives. It would not engage in strikes.

Other unions in the white collar field include the Office Employees International Union (AFL), chartered in January, 1945. Its paid-up membership was reported at the AFL convention in October, 1946, as 20,500. The American Federation of Teachers (AFL) had a paid-up

membership of 30,600 in 1946. The Teachers Union (CIO) in 1946 had about 5,000 members, mainly in the New York area.

All unions in the white collar field were calling for wage and salary increases to offset rising living costs in 1946. At its national convention in February, 1946, United Office & Professional Workers called for minimum increases of at least \$10 a week; and a professional minimum standard of \$50 a week. In January, 1947, this union announced a program calling for a 30% wage increase for all white collar workers and a \$35 minimum for a 35-hour week. For social service workers it called for a minimum salary of \$3,600 a year.

**Financial Workers:** Unions have been making substantial progress in organizing workers in banks and other financial institutions. The Financial Employees Guild, Local 96 of the United Office & Professional Workers, in the summer of 1946 started a new campaign among some 75,000 financial workers in the New York area and met with considerable success.

Some two-thirds of all bank workers in the United States had received no increases at all during the year following the end of the war, the Financial Employees Guild reported. In the Wall Street district, the minimum starting pay for bank clerks and typists in mid-1946 remained at about \$85 a month or less than \$20 a week. For bookkeepers and billers, the wage may rise to an average of \$165 a month or about \$38.40 a week, after 10 years' service. Tellers may get about \$200 a month, or about \$46.50 a week.

**Financial Union Gains:** The Financial Employees Guild (Local 96, UOPWA) during 1946 won a number of elections under the National Labor Relations Act to represent groups of employees of the Merchants Bank of N.Y., Bankers Trust Co., Irving Trust Co., East Brooklyn Savings Bank, and of the brokerage houses of Brown Brothers, Harri- man & Co. and Herzfeld & Stern. Before the end of the year it had members in over 20 of the leading banking institutions, including Chase National, National City, and Manufacturers Trust. Early in 1947, Local 96 reported that it had over 3,000 financial employees organized or under contract.

After a 2-day strike, November 6-7, 1946, employees at the Merchants Bank of N.Y., led by Local 96 (FEG), gained wage increases of \$36 to \$80 a month. The minimum weekly salary was raised from \$23 to \$32. Included in the agreement were weekly instead of semi-monthly payment of salaries, time-and-half after 7 hours' work, a modified union

shop, establishment of grievance machinery, and reinstatement with full pay for those who were on strike.

Local 96 at the end of 1946 announced a program for brokerage employees which included a general wage increase of 35%; a regular work week of 5 days, 7 hours a day; overtime pay at time-and-half for work in excess of 7 hours in one day, instead of the present overtime based on the 40-hour week; and a retirement and pension plan to provide a minimum of \$100 a month at age 60.

Another union, the United Financial Employees, formerly independent, was chartered by the AFL in November, 1946. It led a 2-hour walk-out of employees at the New York Stock Exchange, August 14, 1946, and won a wage increase of about 11%. At that time it claimed a membership of about 5,000, and had agreements also with the curb and cotton exchanges in New York City.

## CHILD LABOR

Employment of young workers reached a wartime peak in April, 1945, when it was reported that nearly three million between 14 and 18 years of age had jobs. More than half of these were full-time workers, the National Child Labor Committee estimated.

With the end of the war in Europe, the number began to fall gradually, until the end of 1946 when about two million young workers were employed. The committee noted, however, in its annual report, Child Labor—In the First Year After the War (1946), that “there has not been the rapid and spectacular decline in the employment of school-age children that had been anticipated.” The number at work in 1946 was still about a million above the prewar level.

The extent to which young people went into industry during the war years was reflected in a 17% decrease in high school enrollment. Following the end of the war there was no evidence of a corresponding increase in enrollment, “another indication that the number of working children is still large,” the committee reported. Even in normal times, the rate of school drop-outs has been very high. For every 1,000 children who entered the 5th grade in 1933-34, only 462, or 46%, graduated from high school in 1941, although this was the peak year of high school enrollment.

**Legislation on Young Workers:** Comparatively little progress was made during 1945-1946 in federal or state legislation to protect young

workers. A new hazardous-occupations order, issued by the U. S. Children's Bureau under provisions of the Fair Labor Standards Act, went into effect September 1, 1946. It prohibited work on power-driven hoisting apparatus for young people under 18 in industries covered by the Act's child labor provisions.

Before the autumn of 1946 the wartime relaxations of child labor laws had been terminated in most states. In many states this did not require legislation and the emergency rulings were cancelled shortly after the war ended.

**In Agriculture:** "Hundreds of thousands of children—some as young as six—follow the crops with their families and work in the fields to help produce the food we eat," the U. S. Children's Bureau, reported in June, 1946. Among 600 migrant workers in New York state in 1945 it was found that one-fourth of the workers were children under 14 years of age. More than 30 of these child workers were under ten. (The Child, June, 1946.)

## WOMEN WORKERS

In the year following the end of the war in August, 1945, the number of women who had jobs in the civilian labor force dropped by 2,160,000. The percentage of women in the labor force declined from 36% in August, 1945, to 29% a year later, the U. S. Women's Bureau reported on the basis of figures from the Census Bureau. By November, 1946, the number of women employed totaled 16,610,000 compared with 13 million in 1940 and over 19 million at the wartime peak in July, 1944.

Housewives and other women not "gainfully occupied" numbered 37,070,000 in November, 1946, or about 69% of all women in the population 14 years old and over. The 410,000 registered as unemployed in that month and 20,000 still in the armed forces made up the remainder of the 54,110,000, the total number of women over 14.

**In Reconversion:** During the second half of 1945, manufacturing industries dropped over 1,132,000 women who had factory jobs in mid-1945. The rate of decline in employment of women in factories during these months was about double that for men.

**Effects of War Casualties:** Even before the war about 92% of all women who worked for pay did so because of necessity to support either themselves or dependents, it was conclusively shown by studies of



the U. S. Women's Bureau. But as a result of the war, women's economic responsibilities and their need to work have increased.

Over 50,000 widows of World War II veterans were receiving death pensions by mid-1945. But pension rates for a war widow are only \$50 a month, \$65 if she has one child, \$78 if she has two children, and \$13 for each additional child up to a total maximum of \$100.

To maintain an "adequate" standard of living, many women on such pensions need to work to supplement this small income, the Women's Bureau points out in "Effects of War Casualties on Economic Responsibilities of Women." (Monthly Labor Review, Feb., 1946.) It quotes standard budgets to show that a woman living alone needed \$1,690 for adequate living expenditures (excluding taxes and war bonds) in New York state in 1945 and \$1,306 in San Francisco in 1945. A family of three (adult woman, boy of 13 and girl of 8) required at least \$1,731 in San Francisco in 1945, but the war pension for such a family would be only \$936.

Even if a veteran's survivors also receive National Service Life Insurance, the maximum policy would give an additional payment of only \$55.10 a month and the average policy much less. Disabled veterans receive from \$11.50 a month up to \$115 a month for total disability—amounts based on loss of earning capacity without regard to the number of dependents. "Veterans with families must rely upon those families if an adequate level of living is to be maintained," the Women's Bureau explains.

About 325,000 men in the U. S. armed forces were killed in World War II, and largely as a result of this loss women in the population in the postwar years exceeded the number of men. These war deaths and the serious disability of other men naturally "raise the numbers of women who will never marry and who must support themselves and in many cases other dependents as well," the report points out.

**Wages and Equal Pay Laws:** Weekly earnings of women production workers in 25 manufacturing industries averaged \$33.70 in July, 1946, while men production workers in the same industries averaged \$50.78. Average earnings of men production workers were thus 50% higher than those of women.

These are the figures of the National Industrial Conference Board, employers' research agency, which reports regularly on wages and hours in these selected industries. It showed also that in these industries in July, 1946, the hourly earnings of even unskilled men averaged 16%.

higher than hourly earnings of all women production workers. The NICB explains that hourly earnings are not the same as wage rates, because they include overtime and other "monetary compensation."

By the end of 1946 seven states (Illinois, Massachusetts, Michigan, Montana, New York, Rhode Island and Washington) had adopted equal pay laws for women. The New York state law, passed in 1944, provides that where men and women are employed in any specific job classification, the employer may not discriminate in rates of pay solely because of sex. If the duties and responsibilities are the same, the same rate of pay shall be applicable regardless of sex. Domestic workers, farm workers, and those employed by non-profit organizations, however, are specifically excluded under this law.

Recognizing that state laws are inadequate to provide equal pay for women on a national scale, trade unions and other progressive organizations have pressed for a federal law. In June, 1945, Senators Claude Pepper (D., Fla.) and Wayne Morse (R., Ore.) introduced a bill entitled the Women's Equal Pay Act of 1945. The full Senate committee on education and labor reported favorably on it in June, 1946, but it was not taken up in the 79th Congress.

The measure describes as "unfair wage practice" the payment of lower wages to women than to men "for work of comparable quality or quantity." It would also be unfair practice under this measure to lay off or discharge a woman and replace her by a man without good cause.

**Woman's Rights Amendment:** A new (22nd) amendment to the Constitution of the United States was proposed in 1946 by the Congress of American Women. It is as follows:

"There shall be no economic, legal, political or social discrimination because of sex or marital status in the United States of America or territories subject to its jurisdiction. Nothing in this article shall be so construed as to invalidate or prevent the enactment of legislation benefitting women in their work or family status."

This proposed amendment is not to be confused with the so-called "equal rights" amendment, advocated for 20 years by the National Woman's Party and repeatedly introduced in Congress. The Woman's Party amendment is opposed by trade unions and by most of the large women's organizations mainly because it carries no provision to keep or to enact any legislation benefitting women in their work or family status. Labor does not oppose removal of the legal disabilities which still affect women as citizens in some states. The new amendment pro-

posed by the Congress of American Women does not jeopardize labor legislation for women workers.

The Congress of American Women was initiated in New York City on March 8, 1946. It is affiliated with the Women's International Democratic Federation which was organized in Paris, France, during November and December, 1945, by delegates from 41 nations, representing 80 million women. CAW's aim is to organize all women to take political action in defense of their rights; to promote their welfare as mothers and their children's well-being; and to participate actively in the struggle against fascism and to bring about a solid and lasting peace. Organizations affiliated with the Congress include both men and women, and individuals, men as well as women, are also members. Headquarters are at 55 West 42nd St., New York City 18.

## IV. CONDITIONS OF THE NEGRO PEOPLE

### POPULATION TRENDS

The war years witnessed a considerable migration of the Negro population from country to city and from South to North and West. It has been estimated that 700,000 Negroes crossed state lines. The migration out of the South, however, was not on the same scale as during World War I, and the best estimate of the northward and westward movement from the South appears to be less than half a million.

The Census of 1940 revealed a Negro population for the United States as a whole of 12,865,518. Of these, 6,253,588, or nearly half (48.6%), lived in urban areas, that is, in towns and cities with over 2,500 population; 4,502,300, or 35%, on farms; and the remaining 16.4% in small rural villages. In 1940 about 77% of the Negro population (9,904,619) lived in the South, and of these 44.65% still lived on farms, while only 36.5% lived in cities and towns. Some 2,643,000 lived in 180 counties with a Negro majority; of these 2,312,000 lived in rural areas. However, 89.1% of Negroes living in the North and West were in cities and towns.

A Census Bureau survey of 10 congested production areas showed that the Negro population between 1940 and 1944 had increased most in the following areas:

<i>Area</i>	<i>1944</i>	<i>1940</i>	<i>Increase</i>
Detroit-Willow Run	259,490	176,552	82,938
Hampton Roads, Va.	140,756	113,956	26,800
Los Angeles	134,519	75,496	59,023
San Francisco Bay	64,680	19,759	44,921
Mobile, Ala. area	64,449	51,678	12,771

Large increases in the Negro population were found also in Charleston, S. C.; Muskegon; Portland, Ore.; Puget Sound, and San Diego. Other reports also show large increases in the Negro population in both northern and southern cities.

U. S. Bureau of Census estimates that the Negro population numbered about 14 million at the end of 1946. Probably more than half of the Negro people then lived in urban communities.

## NEGRO FARMERS IN THE SOUTH

Preliminary estimates in the 1945 Census of Agriculture indicate little change in the total number of Negro farm operators in the southern states. Total number of non-white operators decreased from 680,266 (of which 672,214 were Negroes) in 1940 to an estimated 673,000 in 1945, or by only 7,000. The number of white farm operators, on the other hand, dropped by nearly 100,000.

There was some improvement in the tenure status of Negroes in the South but less than in the case of white operators. The following table is based on the Census of Agriculture, 1940, and preliminary figures for 1945:

FARM TENURE IN THE SOUTH, 1940-1945

<i>Tenure</i>	<i>Total number of farm operators</i>		<i>Number of Negro farm operators</i>		<i>Percent Negro among all farmers</i>	
	1940	1945	1940	1945	1940	1945
Total:	3,007,170	2,901,000	680,266	673,000	22.6	23.2
Full owners and managers	1,341,270	1,505,000	142,267	159,000	10.6	10.6
Part owners	216,607	206,000	31,361	27,000	14.5	13.1
All tenants	1,449,293	1,190,000	506,638	487,000	35.0	40.9
Sharecroppers	541,291	435,000	299,118	268,000	55.3	61.6

However, the percentage of Negroes who were full owners had increased from 20.9% to 23.6% of all Negro farm operators; the proportion who were tenants had dropped from 74.5% to 72.4%, and the proportion who were sharecroppers from 44.0% to 39.8% of the Negro operators.

Sharecroppers are really laborers working under supervision on erst-while slave plantations and paid, nominally, 50% of the crop. They usually live from year to year on credit advanced by the plantation owner at high interest rates, and are allowed no civil rights.

## NEGRO WORKERS

During the war period Negroes were able to regain the position in industry they had lost during the depression years, but little more.

The Census figures below give the number of Negro workers in industry at ten-year intervals, and the percentage of Negroes to the total. The 1940 and 1944 figures are only roughly comparable with the earlier

ones, because the 1940 and 1944 figures give employment by industries, while the 1910-30 figures give occupations, including both employed and unemployed. However, the 1930 figures are probably quite representative of 1929 if not of 1930.

#### NEGROES IN INDUSTRY, 1910-1944

<i>Year</i>	<i>Manufacturing and mechanical occupations</i>		<i>Extraction of minerals</i>	
	<i>Number</i>	<i>% of total</i>	<i>Number</i>	<i>% of total</i>
1910	655,906	6.2	61,129	6.3
1920	901,181	7.0	73,229	6.7
1930	1,024,656	7.3	74,972	7.6
1940	657,933	5.2	52,981	5.8
1944	1,350,000	8.0	—	—

The 1910-1940 figures are from Census publications and 1944 figures are based on estimates in the Monthly Labor Review.

Perhaps the greatest gain the Negro worker made during the war period was his acquisition of skills. The number employed in skilled and semi-skilled jobs was doubled, reaching about a million by April, 1944, and of these about a fourth were in skilled jobs.

Although well over 62% of the nation's two million and more working Negro women remained in service jobs, the number of Negro women in manufacturing industries increased more than five-fold, from less than 50,000 in 1940 to somewhere between 250,000 and 300,000 in 1944. White-collar jobs, from which Negro women had been completely barred outside of Negro communities, were opened to them for the first time but still on a small scale. As in factory jobs, the number of Negro women employed as sales clerks, office workers and switchboard operators, and in other white-collar work, also increased five-fold. However, at best, less than one Negro woman in 30 found this kind of employment, while at least one white woman worker, out of every three who are employed, works in the white-collar field. Less than 100,000 Negro women ever secured white collar jobs, but these jobs were less affected by reconversion than the others.

When reconversion came, it hit the Negro much harder than other industrial workers. A survey by the National Urban League immediately after V-J Day indicated that 25,000 Negroes had been laid off in cutbacks in Chicago, 35,000 to 40,000 in Detroit, 13,000 in Los

Angeles, 20,000 in New York City, 5,000 in St. Louis, 6,000 in Toledo, 8,000 in Newark, 6,500 in Cleveland, 7,500 in Baltimore and 4,000 in New Orleans.

In January, 1946, it was estimated that more than 50,000 Negroes were looking for work in the New York City area. In February, 1946, about 9,000 Negroes were registered with the New Orleans USES. In April, 1946, 35,000 were looking for jobs in Philadelphia. In September, 1946, 13,000 Negroes represented about 30% of the total registered unemployed in San Francisco.

By the end of 1946, the Marine and Shipbuilding Workers (CIO) doubted that as many as 10,000 Negroes were at work in the nation's private shipyards out of a total of nearly 200,000 Negroes employed there at the wartime peak. The proportion of Negroes had dropped, this union reported, from nearly 20% at the peak to 5% or less. Lack of seniority and lack of training for skilled jobs were held responsible for the drop in the proportion of Negro workers to all workers. But the National Urban League estimated that about 30,000 Negroes remained in the industry, including the government yards, at the end of 1946.

Although Negroes shared in the generally rapid rate of reabsorption of war workers into peacetime industry, they met with discrimination in the interpretation of "suitable work" clauses in social security laws and were frequently forced to take jobs below their skill and training.

A shortage of labor in Detroit in the fall of 1946 resulted in a greater proportion of Negroes being employed in 13 major auto plants in the area than ever before, with an absolute gain in numbers of over 7,000—from 30,500 to 38,100. However, the United Auto Workers (CIO) reported that Negroes were being hired only for unskilled jobs or work in the forge departments, and that there was "continued sharp discrimination against Negroes in promotions and upgradings."

Of total USES placements of "non-whites" nationally, 52.1% were in service occupations and 38.5% in unskilled occupations in February, 1946, and 42.2% in service occupations and 49.1% in unskilled work in September, 1946. In both months less than 10% went into all other occupations.

The final report of the FEPC (see below) indicated an alarming rise in discriminatory employment practices following the end of the war emergency. While certain gains of the war period were being maintained in a period that absorbed most of the unemployed veterans and ex-war workers, the position of the Negro remained very insecure, be-

cause of relatively low seniority. The failure of Congress to pass a permanent fair employment practice act left the Negro unprotected in his right to work.

In some industries, such as steel, union contracts and a fairly good seniority standing offer a certain amount of protection against being "first to be fired" by employers when economic depression comes. Many CIO contracts in basic industries also include non-discrimination clauses, but many others, for example, the contract with General Motors, do not.

## WAGES OF NEGROES

The 1940 Census reports that the median wage or salary income of the Negro urban worker was \$457, as compared to \$1,064 for the white urban worker. That of the Negro rural worker (agricultural and other) was \$251, as compared to \$709 for the white rural worker. (These figures include only those without other income of any sort including relief allowances, and they exclude WPA workers and others on emergency work.)

The war period brought an increase in Negro wages, both through an elimination of occupational barriers into better-paying jobs and through an increase in wages in the jobs to which Negroes had been largely confined in 1940.

An analysis of the incomes of 1,281 families living in two housing projects in Atlanta, Ga. (Monthly Labor Review, Dec., 1945), representing a good "cross section of the middle and lower-middle income classes among Atlanta Negroes," showed that the average income per family had risen about 65% from 1940 to 1944, in spite of a drop in the number of income receivers per family. The average income of the wage earners in one project increased from \$692 in 1941 to \$1,161 in 1944, or about 70%. In the other project the increase was from \$615 to \$1,144, or 86%. The wages of these workers living in a housing project are quite probably somewhat higher than the average.

A Department of Labor survey of the wages of some 2,000 war workers in all parts of the country showed that the men workers, both white and Negro, were averaging about 26% more in the winter of 1945-46 than in 1941. Of the 81 Negroes who reported on their wages for both dates the survey says: "Throughout the war and to the time of the resurvey . . . they had averaged considerably less than the white workers." In the winter of 1945-46 they were earning \$37.77 compared



with \$49.43 a week for the white workers. (U.S. Bureau of Labor Statistics, Bulletin No. 876.)

In January, 1946, the wages of southern Negro workers in industries not covered by the federal minimum wage law were still often less than 40¢ an hour and not infrequently less than 30¢ an hour. There were instances of Negroes working under union contract in these industries for as little as 30¢ an hour.

A racial wage differential was the rule rather than the exception in unorganized southern plants at the beginning of the war. CIO unions took a number of cases involving such differentials to the War Labor Board, which then ordered the companies to pay Negro workers the same wage as white workers performing substantially the same work. Among the companies involved were General Motors, Pittsburgh Plate Glass, Hercules Powder and Southport Petroleum. The decision in the Southport case denounced "economic and political discrimination on account of race or creed" as "in line with the Nazi program."

By the end of 1945, the Textile Workers (CIO) had reduced the wage differential at a Virginia cellophane plant from 30¢ to 10¢. A hidden wage differential for the same work exists, however, throughout many large southern plants, as, for example in the tobacco industry where the great number of job classifications makes it possible to conceal the practice.

Wage discrimination is implicit in the whole job structure of the South, which sets the pattern too often for employment practices elsewhere. The Negro worker suffers from the high percentage of Negro employment in agriculture, domestic service and small establishments. These are excluded from all standards and rights established in relation to minimum wages, hours, social security and collective bargaining.

Within other industries he suffers from the traditional division into "white men's jobs" and "Negroes' jobs," according to which the Negro gets the worst job and the worst pay. The proportion of Negroes in laboring jobs and service jobs actually increased during the war period.

## FAIR EMPLOYMENT PRACTICE COMMITTEE

The President's Fair Employment Practice Committee was one of the victims of the postwar anti-labor offensive; it ceased to operate on June 30, 1946.

While during the closing months of the war labor and the progres-

sives were trying to get permanent legislation against discriminatory practices in employment, southern poll-taxers combined with Republicans in an attempt to kill the FEPC.

One bill for a permanent FEPC (H.R. 2232) was favorably reported out of the House Labor Committee, February 16, 1945, but a year later the Rules Committee, dominated by a southern Democrat-GOP coalition, still refused to release the bill.

Attempts were made in 1945 to cut off funds for the wartime FEPC. The appropriation finally voted for the fiscal year beginning July 1, 1945, was for only \$250,000, less than 50% of the amount necessary to carry the agency on its former basis. As a result of this curtailment of funds, seven of the ten regional offices had to be closed before the end of the year, and the rest not much later.

On November 24, 1945, President Truman seriously undermined the wartime FEPC by countermanding a directive order it had issued the previous day ordering the Capital Transit Co. of Washington, D.C., to cease discriminatory practices against Negroes. Charles H. Houston, one of the Committee's two Negro members, resigned in protest a few days later with a statement that: "The President's attitude in the Capital Transit case reflects a persistent course of conduct on the part of the Administration to give lip service to the elimination of discrimination in employment on account of race, creed, color or national origin since V-J Day, while doing nothing to make the policy effective."

The Senate bill for a permanent FEPC (S. 101) was called up in January, 1946. An 18-day filibuster followed and on February 9th the bill was finally displaced from consideration since its proponents had failed to get a two-thirds vote to close discussion. Repeated attempts were made to get the House bill before the House, but the Republican-Southern Democrat coalition was successful in preventing a vote.

**Record and Recommendations:** During its five years of existence the wartime FEPC had settled nearly 5,000 cases by peaceful negotiation, including 40 strikes caused by racial differences. During the last year of the war FEPC held 15 public hearings and docketed a total of 3,485 cases, settling 1,191 of them. Negroes filed 80% of the complaints. In its final report, submitted to the President, June 30, 1946, the FEPC pointed out that discriminatory employment practices against Negroes, Mexican Americans, Jews, and Nisei were increasing. "No device will solve the problem short of the enactment by Congress of Federal fair employment legislation," it concluded.

"The majority of all discrimination cases can be settled by informal negotiation," the report stated. "Discriminatory practices, if they can be solved by negotiation, are more quickly ended when the National Government makes clear that its authority will be exercised against offenders." During the war years "employers and workers abandoned discrimination in most cases where Government intervened. Once the barriers were down, the workers of varying races and religions worked together efficiently and learned to accept each other without rancor."

**State FEPC Laws:** Bills against discrimination in employment were introduced in half the 44 state legislatures meeting in 1945, but failed to pass in all but four states.

The New York law, passed March 6, 1945, asserts the right of opportunity for employment without discrimination because of race, creed, color or national origin. It lists a series of employment practices unlawful for employers, labor organizations and employment agencies. The law covers employers with six or more workers, but specifically excludes various educational, social, and non-profit organizations and all domestic workers. It establishes a commission authorized to create advisory agencies and conciliation services. Willful violation of commission orders are made punishable by fine, imprisonment for not more than one year, or both. The commission did not start to function until 1946 but by the end of that year it was becoming apparent that the legal definitions of unfair practices provided loopholes for employers and needed to be broadened.

The New Jersey law is similar to the New York law, but it provides penalties for violation only after a Grand Jury hearing.

The Indiana and Wisconsin laws are little more than statements of principle. They provide for advisory councils, but they lack means of enforcement and penalties for violation.

In 1946, Massachusetts passed a law more like that of New York State. It provides for review and enforcement of commission orders by the courts.

## IN THE TRADE UNIONS

Total number of Negroes in trade unions has probably not changed greatly in the past two years. However, the AFL national office now claims more than 500,000 Negro members, of whom 450,000 are in the South. The CIO makes no estimate of its total Negro membership.

While the drop in employment of Negroes in shipyards and the closing of government-owned southern and western war plants have undoubtedly brought a heavy loss of Negro membership in certain unions, the southern organizing drive has added many thousands of Negro members to other unions.

Judging by over-all employment figures, we estimate that the Marine and Shipbuilding Workers of America (CIO) now has probably no more than 5,000 Negro members compared with an estimated 40,000 two years ago. (See complete list in Labor Fact Book 7.) The Boilermakers & Iron Shipbuilders (AFL), with 14,000 Negro members in January, 1944, has also lost most of its Negro members. Some losses have occurred in the aircraft, steel and electrical unions, with the general postwar decline in such employment. Because of the state of flux in these industries it was impossible to make any estimate of Negro membership in 1946.

Gains have undoubtedly been made by the Packinghouse Workers (CIO). And the Meatcutters & Butcherworkmen (AFL) now estimates it has 30,000 Negro members compared with 25,000 in 1944. The Brick and Clay Workers (AFL) reports that about 40% of its 18,000 members are Negroes. The Railway Clerks (AFL) now estimate their Negro membership at about 20,000. The Food & Tobacco Workers (CIO), the Retail, Wholesale & Dept. Store Workers (CIO), the Woodworkers (CIO), and the Furniture Workers (CIO) have been organizing actively in the South and may have doubled their Negro membership in the last two years.

**Discrimination:** The list of unions discriminating against Negroes in one way or another was given in Labor Fact Book 7. The proposal to admit Negroes to union membership came up before the convention of the International Association of Machinists convention in 1945, and was defeated by a very narrow majority. At the Railway Carmen convention in 1946 a resolution on admitting Negroes to full membership was defeated by a majority of 364 to 312, with 250 delegates not voting.

In May, 1946, following a California court decision, the Boilermakers & Iron Shipbuilders (AFL) ordered its California affiliates to abolish auxiliary Jim Crow locals and to admit Negroes to full membership.

In New York State, Henry C. Turner, chairman of the State Commission Against Discrimination, announced January 7, 1947, that only the Brotherhood of Locomotive Engineers had refused to agree to elimi-

nate discriminatory provisions from its governing laws, or to make these laws inapplicable where they conflict with state or federal laws.

In 1945, the U.S. Supreme Court upheld the constitutionality of a New York State statute prohibiting labor organizations from barring any person from membership because of race, color, or creed. The case involved the Railway Mail Association (AFL).

On June 10, 1946, the Kansas Supreme Court, in a case brought by Lucillous Betts, member of a Class B. Negro auxiliary local, to secure full membership in the Railway Clerks (AFL), ruled that the Negro must have an equal voice in elections, in the fixing of dues, and in other questions of policy, since the union is the bargaining agency for all employees.

An attempt was made by the CIO to have unions excluding Negroes from full membership ruled off the ballot in NLRB elections. But the NLRB, in a case involving General Motors Co., ruled in favor of the discriminating union. Commenting on this, CIO President Philip Murray wrote the Board, July 7, 1945: "It is the position of our organization that if a union desires to represent a group of employees and seeks certification from your board as exclusive bargaining representative for such employees, it cannot bar any of the employees from membership for reasons of race, creed, color or nationality. It is farcical to declare that a union will represent all the employees in a unit but will exclude Negroes in such unit from membership in the union."

## HOUSING FOR NEGROES

There has been little change in the housing conditions of Negroes since the 1940 Census. At that time there were 3,293,406 dwelling units occupied by Negroes in the United States. Of these nearly two-thirds (62%) had no running water and 57% had no electricity. More than a third were in need of major repairs. In the South 70% of the Negro homes had neither electricity nor running water.

Housing conditions for Negroes in New York City are, from all accounts, not as bad as in Detroit, Chicago, Los Angeles, or San Francisco. However, the 1940 Census reports indicate some 18,000 dwelling units either without private baths or in need of major repairs in the Harlem area, not including Lower East Harlem. Some 10,500 of these needed major repairs and 9,000 had no private baths. The New York Urban League estimates that more than 90% of the housing for Negroes in New York is substandard.

A survey of one Harlem block conducted jointly by the New York Urban League and various city departments in April, 1946, revealed more than 1,400 violations of the building and sanitary codes in a total of 716 dwelling units, or nearly 20 violations per building. These violations included inadequate water supply, fallen plaster, rat and vermin infestations, unsafe fire escapes, dirt due to lack of paint, defective plumbing and insanitary conditions.

Overcrowding due to residential segregation of Negroes is the worst aspect of the Negro's housing problem in northern and western urban communities. Such overcrowding increased greatly during the war years. Already in 1939 an "excess population" of 85,000 was reported for the Negro community on the South Side of Chicago. About 70,000 more Negroes moved into Chicago after 1939. Overcrowding in Detroit, Los Angeles and San Francisco was even worse. The figures for three other cities were given by Robert C. Weaver (*Crisis*, March, 1946.) They showed the percentage of overcrowding in Cincinnati at 15.3% for Negroes compared with 6.8% for whites. In Cleveland the respective figures were 8.7% and 1.9%, while in St. Louis 20.2% of Negro houses were overcrowded compared with 5.1% for whites.

About 15,000 units of privately-financed housing, or only 2.8% of the total of 539,000 units erected with the backing of the Federal Housing Administration, were built for Negro war workers during the war period.

About 93,000, or only 15.5% of the 598,000 war housing units publicly financed, were occupied by Negroes. Much of this housing was of a temporary emergency nature.

Much of the overcrowding in northern urban centers is due to a ghetto policy reinforced by restrictive covenants in deeds and leases forbidding the sale or rental of a house to a "non-Caucasian." The Federal Housing Administration until 1946 followed the practice not only of countenancing such agreements but actually refusing to insure loans for the construction of homes without such agreements. Pressured by the National Association for the Advancement of Colored People, the National Urban League and other Negro organizations, the FHA in 1946 agreed to change its policy. Restrictive covenants have also been under fire in the courts. The U. S. Supreme Court, in 1926, had ruled that the 14th Amendment did not apply to such covenants. In 1945 it refused to review a lower court decision upholding a covenant. (See *The Negro Handbook*, 1946-1947.)

## HEALTH CONDITIONS

Low income, bad working conditions and poor housing, plus grossly inadequate medical facilities, take their toll in Negro lives.

The standardized death rate per 1,000 population in 1940 was 71% higher for the Negro population than for the white—8.2 for the white and 14.0 for the Negroes. The Negro man had a life expectancy of only 52.26 years as compared to 62.81 years for the white man, and the Negro woman could expect to die 12 years younger than the white woman, the life expectancy being 55.56 years for the Negro woman and 67.29 for the white woman.

In 1942, the maternal death rate was 5.5 per 1,000 births for the Negro mother and only 2.2 for the white. The infant mortality rate was 64.2 per 1,000 live births for Negro babies as against 37.3 for white babies. Twice as many Negro babies as white babies were born dead.

The improvement in the economic conditions of the Negro during World War II resulted in some betterment in the health of the Negro people, at least in places that had little increase in overcrowding. In Central Harlem, New York City, the death rate dropped from 14.2 in 1931-35 to 13.5 for the years 1936-40 and to 11.5 in 1944, while the death rate of the city as a whole remained about the same during the entire period. Deaths from tuberculosis decreased considerably, but the death rate from this cause in 1944 was still four times the city average. Nearly half the Negro deaths in New York occur among people less than 45 years old, while only one-sixth of the white deaths occur among people so young. Nearly half the white deaths occur among people more than 65 years old while less than one-fifth of the Negro deaths occur among people this old.

The pellagra death rate nationally is about five times as high for Negroes as for white people, and the death rate from malaria about nine times that of white people.

## SCHOOLS AND TEACHERS

In schooling, the Negro is discriminated against both in the North and in the South. His educational handicap is, however, much greater in the South where separate schools for Negro and white students are maintained by law.

Recent reports from state boards of education in the South indicate

that while the per-pupil ratio of current expenditures for Negro education shows considerably less of a disadvantage to the Negro than 15 years ago, the actual dollar differential is constantly increasing in many southern states. The annual expenditure for current expenses per pupil in average daily attendance in 11 states is given in the following table:

<i>State</i>	1931-32		1943-44	
	<i>White</i>	<i>Negro</i>	<i>White</i>	<i>Negro</i>
Alabama	\$40.90	\$10.72	\$70.20	\$25.65
Arkansas	32.50	12.69	61.03	25.81
Florida	58.71	17.33	95.96	47.44
Georgia	41.02	9.50	88.13†	27.88†
Louisiana	62.22	12.68	121.32	40.25
Maryland	83.50	57.81	115.52	90.82
Mississippi	52.01*	7.36*	71.65	11.96
No. Carolina	41.12	18.08	71.60	50.07
Oklahoma	56.08	46.01	88.13	95.21
So. Carolina	47.12	8.08	90.00†	33.00†
Texas	72.72*	28.48*	92.69	63.12

\* 1939-40; † 1944-45. The 1931-32 and 1939-40 figures are from a U.S. Office of Education tabulation in the Negro Handbook, 1944. The 1943-44 figures are also from the U.S. Office of Education, while the 1944-45 figures, where given, are from publications of state departments of education.

The high cost of maintaining small separate schools for the widely scattered Negro minority in border states, such as Oklahoma, accounts for the high per capita expenditure for Negroes in such states. Actually the educational facilities for Negroes in these states are far inferior to those for white pupils.

In compliance with a Supreme Court decision requiring the equalization of salaries for teachers with the same qualifications regardless of race, salaries in North Carolina were equalized beginning with 1944. Court action has been brought in other states but unequal salaries remain the rule in the deep South.

The following table shows the annual salaries of teachers, in eight southern states. The 1943-44 figures are from the U. S. Office of Education while the 1944-45 figures are from the reports of state departments of education.



<i>State</i>	<i>Average teacher's salary</i>	
	<i>White</i>	<i>Negro</i>
Alabama (elementary; 1944-45)	\$1,031	\$639
Arkansas (1943-44)	924	555
Florida (1943-44)	1,530	970
Georgia (1944-45)	1,263	607
Mississippi (1944-45)	1,018	408
South Carolina (elementary, women, 1944-45)	1,167	693
Louisiana (1943-45)	1,683	828
Texas (1943-44)	1,395	946

Much greater inequalities are found in the value of school plant and equipment in the southern schools. In Alabama in 1945 the per pupil value of school property (plant and equipment) stood at \$143 for each white child enrolled and \$29 for each Negro child. In Georgia it was \$183 for the white child and \$40 for the Negro child. In North Carolina (1944), the figure was \$193 for the white child and only \$68 for the Negro child. In Mississippi, 40% of the Negro schools and in Alabama more than 55% were without buildings and held classes in tenant homes, churches, or under any other available roof. In Atlanta, Ga., and Charleston, S. C., in the year 1945-46, Negro children were using the schools in two shifts and getting only 3½ hours of school to the white child's 6.

Few if any Negro high schools before the war had proper shop equipment to train their students for skilled work. Following the war a few, in which the government had installed such equipment to train war workers, were able to purchase this equipment from the government.

Other factors which make for inequality in education for Negroes in the South are the small number of accredited high schools, colleges and professional schools for Negroes, the total lack of Negro high schools in many school districts, vocational curricula which stress training in "domestic science" and agriculture, the greater persistence of the one-room, one-teacher school, and fewer school transportation facilities.

Outside of the South, segregated housing frequently leads to segregated schools and there is too often a pattern of directing pupils into badly equipped and poorly planned vocational courses. Not many Negro graduates of New York City's public schools are prepared to enter its free city colleges and even fewer are admitted to them. On the whole,

the higher education institutions of the North fail to take care of even the northern Negro college aspirants.

The double economic oppression of the Negro people prevents all but a few from entering colleges. However, more than 5,000 were awarded academic degrees in 1945. The GI Bill of Rights opened the door to higher education for many Negro veterans and tens of thousands have taken advantage of this. About 20,000 Negro veterans enrolled in southern Negro colleges in the fall of 1946. Additional thousands enrolled in colleges of the North.

## LYNCHINGS OF NEGROES

Lynchings, mob terror and other violence and discrimination against Negroes have increased since the end of the war. Such things have grown with the racial hatred propaganda spread especially in the South, the intense overcrowding of housing and transportation facilities, and the considerable, if temporary, unemployment in certain wartime production centers.

The revival of the Ku Klux Klan, the rise of the fascist Columbians, and the rabid "race supremacy" campaigns of Talmadge in Georgia and Bilbo in Mississippi have been part of the general resistance of the employers to the growth of unions in the South. Most of the lynchings in 1946 occurred soon after the nomination of Talmadge in the Georgia primary elections. (See White Primary section, below.)

Eight known lynchings of Negroes in 1946 and one in 1945 were reported by the National Association for the Advancement of Colored People. This record compares with two in 1944 and three in 1943. Lynchings during the last two years have taken place in Georgia, Louisiana, Florida, South Carolina and Mississippi.

Records of lynchings are incomplete, however, because in many cases a victim disappears and the body is found later. This secret and more dangerous method of killing Negroes in the South has to some extent taken the place of the lynch-murders which were formerly carried out openly by blood-thirsty mobs.

Wanton killings of Negroes during the past two years have greatly exceeded the number of lynchings officially recorded. Thus in 1945, when the NAACP reported only one lynching, detailed evidence indicates there were at least four brutal killings of Negroes and probably many more. Paul Robeson, chairman of the American Crusade to End

Lynching, reported at least 41 lynchings and killings of Negroes in the first year after V-J Day.

**Lynch Murders in 1946:** One of the worst lynchings of the eight recorded in 1946 was the murder of four Negroes, including two women, near Monroe, Walton County, Ga., July 25, 1946. Roger Malcolm, a farm worker, his wife, Dorothy, George Dorsey, war veteran, and his wife, May, were killed by a mob of some 25 white men with rifles and pistols on a lonely swamp road. Malcolm had been accused of stabbing a white employer. Eyewitnesses reported the massacre of the four. As a result of nation-wide protests, Attorney General Tom C. Clark ordered a federal grand jury probe of these lynchings, but after a 3-week investigation, the jury reported, December 19, 1946, that it was unable to find any one "guilty of violating the civil rights statute."

Most brutal of all recent lynch murders was the torture-killing of John C. Jones, a 28-year old war veteran and former Army corporal, near Minden, La., August 8, 1946. Jones, an oil refinery worker, was beaten by a mob, his hands were cut off, and a blow-torch was held to his face. He died in the arms of Albert Harris, 17-year old companion, who had also been beaten and left for dead. U. S. Department of Justice ordered a federal grand jury inquiry and six men, the Minden police chief, two deputy sheriffs and three other men, were indicted for the lynching. One of the sheriffs was later released. Despite the testimony of Albert Harris, five of the others were acquitted by an all-white jury on March 1, 1947.

Besides those described above, the NAACP also recorded three other killings of Negroes in 1946. Macio Snipe was dragged from his home in Taylor County, Ga., and killed by four men on July 17, 1946, the night after he had voted (the only Negro to vote in that district) in the state primaries. Leon McTatie, Negro tenant farmer, was flogged to death by landowners near Lexington, Miss., on July 22, 1946, and his body was found in a bayou two days later. He had allegedly stolen a saddle from a plantation owner. In this case, five white men were indicted by a grand jury for "manslaughter." John J. Gilbert, chalk mill worker, was found shot to death by the roadside near his home at Gordon, Ga., on August 3, 1946. It was reported that he had been active in union organizing and was killed on his way to work by white men who opposed unions.

There were innumerable other killings of Negroes, many of them war veterans, not officially reported as lynchings. So many of the victims were veterans that it was thought the lynchings were intended to strike

fear into the hearts of these Negro servicemen who had returned home with determination to vote and exercise their democratic rights. (See Freeport case below.)

**Federal Anti-Lynching Action:** Negro, labor and progressive organizations have repeatedly called for passage of a federal anti-lynching law for the punishment of lynchers. Competent constitutional authorities agree that Congress could legally enact such legislation. But when the anti-lynching bill has been introduced in Congress it has been killed by the filibusters of southern Senators such as Bilbo, Ellender, Tom Connally, McKellar and James F. Byrnes.

If local law enforcement officers fail to protect the rights of citizens in their community, the U. S. Department of Justice already has legal ground for moving against lynchers. When the new wave of lynching started in the summer of 1946, the Department did investigate. As shown above, a few lynchers were indicted by a federal grand jury.

## RESISTANCE IN TENNESSEE

The most important civil rights case of the postwar period involved the Negro community of Columbia, Tenn. On the night of February 25, 1946, the Negroes organized to prevent the lynching of a war veteran and his mother and to defend themselves and their homes against a white mob. They were answered with police brutality, the destruction of their community, mass arrests, and mass indictment on charges of attempt to murder.

The episode grew out of a complaint by a Negro woman, Mrs. Gladys Stephenson, that a white radio repairman had cheated her on radio repairs. The white man struck the Negro woman. The woman's veteran son struck back. The Stephensons were taken to jail and a lynch mob began to form.

The Negro community raised the bail for the Stephensons and rushed them to safety out of town. During the night the Negroes kept to their homes in the dark. Random shots by groups of armed white men were fired into the Negro homes, and later two groups of white men were peppered with bird shot by the Negroes when they entered the Negro part of town. Four of those wounded were unrecognized police officers.

The highway patrolmen and state guard were called. The Negro community was surrounded, the business section destroyed and looted.

Altogether, about 100 Negroes were arrested. Two were killed in

the local jail. Thirty-one were indicted by the grand jury on charges of attempted murder, or being accessories to attempted murder. Four white men were also indicted but never came to trial.

The National Association for the Advancement of Colored People had a lawyer, Maurice E. Weaver of Nashville, in Columbia within a few hours after the events of the night of February 25th. The case of the Columbia Negroes became a focus of national interest.

Organizations participating in the campaign to free the Negroes included the NAACP, Southern Conference for Human Welfare, National Federation for Constitutional Liberties, National Committee for Justice in Columbia headed by Eleanor Roosevelt and Channing H. Tobias, Committee for Justice in Tennessee (local) and the Federal Council of Churches of Christ in America.

When the case finally came to trial in Lawrenceburg, Tenn., late in the summer, 25 of the Negroes faced the jury. The trial lasted until October 4. The prosecution, lacking any evidence against the defendants, made violent appeals to prejudice and sectionalism. The jury deliberated for less than two hours and astounded the court, the prosecution, and the nation by completely absolving 23 of the Negroes.

The two defendants convicted, John McKivens and Robert Gentry, were granted a new trial, and completely freed in February, 1947.

A trial of two more of those indicted was held in Columbia, Tenn., in November, 1946. The hometown jury completely acquitted one of them on November 19, 1946. The remaining defendant, Lloyd Kennedy, was sentenced to serve five years instead of the 20 requested by the prosecution. His case is being appealed by the NAACP, since a new trial was denied.

## RACIAL FRICTION AND THE POLICE

Other outbursts of mob terror occurred at Athens, Ala., August 11, 1946, where 50-100 Negroes were injured by a white mob estimated as numbering 2,000; and at Mount Pleasant, Tenn., in October, 1946, where police snatched two Negroes from a white mob who thought the Negroes had injured a white man.

Demonstrations of race hate occurred also in the North. For example, in Chicago on December 9, 1946, a white crowd of 100 people tried to prevent a Negro veteran from moving into a South Side housing project following previous demonstrations against the admittance of Negroes

to the project. Students of the Froebel High School in Gary, Ind., struck twice during the school year 1945-46, against admission of Negroes to their school activities. In New York City, a gang of hoodlums in the Greenwich Village section beat Negroes on the streets at various times in the spring and summer of 1946.

Police brutality against Negroes tended to increase in the immediate postwar period. One of the worst incidents involved a just-discharged young Negro veteran, Isaac Woodard, whose eyes were beaten out near Aiken, S. C., after he had asked a bus driver to allow him time to use a comfort station when the bus halted for gas. A white jury failed to punish the officer.

Increased police brutality occurred also in the North. In New York City, there were many reports of unprovoked brutality, including the killing of a 14-year old boy on a fire escape, during the fall of 1945.

**Freeport Killings:** The most cold-blooded incident of police violence against Negro veterans occurred in the town of Freeport, Long Island, N. Y., on February 5, 1946, when Charles R. Ferguson, a private first class in the Army, and his brother Alfonso Ferguson were shot and killed by Patrolman Joseph Romeika. The brothers had protested against racial discrimination by a cafe owner who then called the police. A third brother, Joseph Ferguson, a seaman first class in the Navy, was wounded by the same policeman. Another brother, Richard, witnessed the double murder.

Army and Navy boards investigated and cleared both Charles and Joseph Ferguson of any misconduct. President Truman awarded a citation posthumously to Charles as one who "dared to die that freedom might live." Charles left a wife and three small children.

But Romeika was exonerated by a Freeport grand jury which dismissed the case. Protests against this wanton police killing were so widespread, however, that Gov. Thomas E. Dewey was forced to order a special investigation. Hearings on the case were marked by anti-Negro bias and the policeman was whitewashed by Gov. Dewey's investigators.

## POLL TAX LEGISLATION

The Poll-Tax Repeal Bill, H.R.7, was introduced in the 79th Congress by Rep. Vito Marcantonio (ALP, N. Y.) and by Congressman George H. Bender (R., Ohio) at the beginning of the first session. It passed the House June 12, 1945, by a vote of 251 to 105 and went to the

Senate Judiciary Committee, from which it was reported out favorably in October, 1945. Vote on the measure was held up by a threatened filibuster till the early summer of 1946, although a bi-partisan committee headed by Pepper (D., Fla.), Ferguson (R., Mich.) and Mead (D., N. Y.) was formed to steer the bill through the Senate. Attempts to get the necessary two-thirds vote for cloture, to end the filibuster of southern poll-taxers, failed on July 31, 1946, with 39 Senators voting for cloture and 33 against. The 79th Congress ended without a Senate vote on the bill, but it was introduced, with the same number, in the 80th Congress in January, 1947.

Georgia repealed its poll tax in February, 1945, leaving seven states with poll-tax laws—Alabama, Arkansas, Mississippi, South Carolina, Tennessee, Texas and Virginia. Poll-tax repeal bills were introduced in the 1945 legislatures of Alabama, South Carolina and Texas, but failed of passage. The right of the Tennessee Supreme Court to declare unconstitutional the poll-tax repeal law passed by the state legislature in 1943 was being challenged in the courts.

It has been estimated that about 10 million potential voters were still disfranchised by the poll tax in 1942. Of these about 4 million were Negroes, while 6 million were whites.

## THE WHITE PRIMARY

The poll tax, which disfranchises the poor, regardless of color, is but one of the bars to political participation by the Negro in the South. The exclusion of Negroes from the decisive primary elections effectively prevented the Negro from any real political participation until the U. S. Supreme Court, April 3, 1944, ruled in the case of *Lonnie E. Smith of Houston, Texas*, that Negroes could not be barred from voting in the Texas Democratic primaries on grounds of race and that discrimination against Negroes because of race by a political party violated the Fifteenth Amendment of the U.S. Constitution.

States barring Negroes from the primaries before this decision included Arkansas, Florida, Georgia, Mississippi, South Carolina, Texas and most of Alabama. They were not barred from the primaries in Kentucky, North Carolina, Tennessee or Virginia.

After the Supreme Court decision, the NAACP reported that Negroes voted freely in the 1944 primaries in Texas and Arkansas. However, they were still generally barred in Georgia, Florida and most of Alabama.

Negro voters of Florida and Georgia went to the federal courts and won decisions based on the Texas decision.

Immediately following the Supreme Court decision, South Carolina repealed its statutes covering primary elections in order to make it impossible to have recourse from violation of the right to vote in a primary election under state law, leaving the Democratic Party free to abolish the primary election in that state. In 1945, in order to circumvent the decision so far as state offices were concerned, the Arkansas legislature separated primary elections for state and local offices from those for federal offices.

The whole question became a major issue in the 1946 elections in Georgia and Mississippi. Although "purged" from the registration roles in some counties, Negroes voted in large numbers in the Georgia primaries against former Gov. Eugene Talmadge who was campaigning on a "white supremacy" platform and a pledge to exclude Negroes from the primaries if elected. Talmadge's opponent received the majority of the votes, but Talmadge was elected through the mechanics of a system under which the vote is counted on a county-unit instead of on a popular basis. He died on December 21, before he started his term.

The Georgia legislature elected his son, Herman, to take his place, on the basis of 675 write-in votes, many of them fraudulent, in the November election. But the Georgia Supreme Court, March 19, 1947, ruled against Talmadge and declared Lieutenant Governor M. E. Thompson the rightful Acting Governor.

In Mississippi, U.S. Senator Bilbo also campaigned for re-election on a white supremacy basis, and in his speeches urged the white people to see to it that Negroes did not vote in the 1946 primaries. The campaign drew national interest because of the reactionary role Bilbo played in national politics. Affidavits concerning the character of the Bilbo campaign and intimidation of Negro voters in the Mississippi primaries were gathered in a campaign to prevent Bilbo from being seated in the Senate. A Senate committee was appointed to investigate the Bilbo campaign and hearings were held in Jackson, Miss., during the first week of December. The Senate War Investigation sub-committee also investigated Bilbo in December on charges of taking bribes from war contractors.

The first committee, loaded with Southern Democrats, turned in a majority report whitewashing the Bilbo campaign, but the two Republican members submitted a contrary minority report. The second com-



mittee made a report unfavorable to Bilbo. When the new Congress opened, Bilbo was challenged at the door. A southern filibuster was broken when Bilbo presented a certificate of illness and a "compromise" was reached according to which the question of his eligibility would not be brought up until such time as he was physically able to take his seat. In the meantime he continued to draw his full salary.

**Registration Procedures:** Southern registration practices, requiring Negroes to meet tests not required of white people to qualify for voting, were challenged in federal courts with NAACP backing during the last two years. In 1946 two significant decisions involving Alabama and Louisiana were won in the U.S. Court of Appeals, Fifth Circuit.

In November, 1946, however, a measure was passed in Alabama adding to the current requirements of ability to read and write the U.S. Constitution, the ability to interpret the Constitution. This clause was obviously aimed at the Negro voter, but could also be used against the labor voter in general, or any other person whose interpretation of the Constitution does not please the registrar.

## NEGRO ORGANIZATIONS

The Negro people of the United States have worked through various organizations to achieve improvement of their conditions on the political, economic, civil rights and labor fronts. The largest and most important of these are:

**National Association for the Advancement of Colored People:** This was organized in 1909 and dedicated to the legal fight for equality of opportunity for Negroes in America. Its membership increased greatly during the war years and by the end of 1946 numbered some 535,000 organized in about 1,300 branches, youth councils and college chapters. In recent years the organization has been making tests in the courts involving discrimination in transportation, education, teachers' salaries, housing, and the right to vote.

Although still fighting in the courts some discriminatory practices of certain unions, the NAACP favors the organization of Negroes into trade unions. At its annual conference, June, 1946, resolutions were passed giving "heartly" endorsement to the southern organization drives of the CIO and AFL.

At its 1946 conference also the organization abandoned its traditional policy of total abstention from politics, and decided to rate candidates

for political office according to their stand on questions affecting minority groups.

**National Urban League:** This organization was founded in 1910 and has about 25,000 members and 56 affiliated but autonomous local leagues. The League is an interracial social work agency concerned with the social work needs of the urban Negro population. The League works in the fields of employment, housing, health, recreation and race relations with emphasis on the community planning aspects of these problems. The national office maintains a staff of specialists in these fields and a departmental program is coordinated with the work of the local affiliates. Local leagues are supported partially or entirely by funds from local community chests and are affiliated with the local council of social service agencies.

As early as 1919 the Urban League urged Negroes in industry to "organize with white men whenever conditions are favorable." It has worked for the integration of Negro workers into the trade union movement. At its 1946 convention it called upon those unions "which themselves discriminate in policy or in practice against Negroes," to change their policies. It urged "full support by the Negro community" of "the current efforts of democratic trade unions to organize the workers in the South."

**National Negro Congress:** Founded in 1935, this group is composed of local chapters of its own, individual members, and affiliated organizations. Unlike the above-mentioned organizations, the National Negro Congress had as one of its original purposes the promotion of organizing Negroes in trade unions. It has also a program of political action.

At its convention, May 30-June 2, 1946, the NNC adopted a program for organizing more southern branches to aid the unions in enlisting more Negro members in the South. It urged its members and affiliated organizations for the 1946 elections to follow a policy of independent political action free of all partisan considerations, supporting those candidates who, "regardless of party have demonstrated their allegiance to the cause of the people."

## PETITION TO THE UNITED NATIONS

On June 6, 1946, the National Negro Congress, on behalf of the Negro people of America, addressed a petition to the Economic and Social Council of the United Nations asking for "the elimination of

political, economic and social discrimination against Negroes in the United States."

Stating that the Negro people had "failed to find relief from oppression through constitutional appeal—which we have sought for almost a century since emancipation. . . .", the petition was accompanied by a document by Dr. Herbert Aptheker on The Oppression of the American Negro. This covered discrimination in employment, income, housing, health, education and civil liberties.

The petition, which was referred to the UN Commission on Human Rights, received the backing of the Women's International Democratic Federation, representing women of 45 countries, and in October, 1946, the World Federation of Trade Unions promised to take up the question at its next executive bureau meeting.

In February, 1947, the NAACP also submitted an appeal to the United Nations summarizing the legal, social and economic discrimination suffered by the Negro in America. In an introduction to the petition, Dr. W. E. B. Du Bois declared that the treatment of Negroes in America "is not merely an internal question of the United States. It is a basic problem of humanity; of democracy; of discrimination because of race and color; and as such it demands your attention and action. No nation is so great that the world can afford without protest to let it continue to be deliberately unjust, cruel and unfair toward its own citizens."

## V. TRADE UNION DEVELOPMENTS

### UNIONS AND UNIONISTS

At the end of 1946 there were about 50 million organizable workers in the United States. Of these about 7.1 million were in the American Federation of Labor, 6.3 million in the Congress of Industrial Organizations, and perhaps another 1.5 million in other unions including the railroad brotherhoods and all independent organizations.

This means that less than 30% of all the organizable workers in the country are members of labor unions of any kind.

There are 105 unions affiliated to the AFL, 40 affiliated to the CIO, and about 50 independent or unaffiliated unions.

### UNION PRACTICES AND DEMOCRACY

Charge most commonly leveled against unions, that they are lacking in "internal democracy," was answered by a CIO survey in 1946. It concluded: "We firmly believe that our findings demonstrate that CIO unions meet the sternest tests which can be applied to membership organizations. The survey reveals that CIO unions are truly democratic instruments of their members." (CIO Economic Outlook, Feb., 1946.)

In the first place, the CIO points out, its unions "have consistently opposed discrimination in any form, and they have followed the practice of admitting to their ranks all workers employed within their jurisdiction. With the exception of one union which leaves the matter in the hands of its locals, all the CIO-affiliated internationals provide that there are to be no restrictions on admission because of race, color, sex or creed. To strengthen the policy of non-discrimination, a number of CIO unions have established their own fair employment practices committees."

All but one of the CIO unions elect their officers annually or biennially. They are nominated and elected at conventions or by membership petition or referendum in all but two unions, where this is done by the locals themselves.

A complete tabulation of union practices and procedures shows that:

The great majority of CIO members pay dues of \$1.50 or less a month.

Two-thirds of all CIO unions pay top officers salaries of \$6,000 a year or less.

Initiation fees generally range from \$2-\$10, usually \$5 or less.

Of 36 CIO unions included in the survey:

31 provide for regular financial audits by a C.P.A.

30 publish financial reports.

31 publish full convention proceedings.

34 provide that before a member can be finally expelled he has the right to appeal to the international convention. (*The Truth about CIO, CIO Publication No. 130.*)

One third of the CIO unions hold annual conventions. Except for two unions which hold meetings every three years, all the others hold conventions every two years.

The CIO observes that "There has probably been more misinformation spread about on union finances than on any other question of union government." After noting the facts on salaries, dues and initiation fees the CIO publication concludes that "no other organization has ever offered its members such extensive services, at such low costs. . . . There are no financial secrets in CIO unions. Every member is fully informed as to the use of all funds, whether local or international. CIO is a service, and not a profit-making institution."

The AFL would make a valuable contribution by issuing the same type of information on the practices of its constituent unions.

**Union Officers' Salaries:** Philip Taft, professor at Brown University, made a study of salaries of union officials in 1944, covering both AFL and CIO officers. He found that in most local unions the salaries were either directly or indirectly related to the earnings rate of the members. He concluded that even where local officers are paid on a full-time basis (less than half had full-time paid officers) "one cannot say that their salaries are very high; at least they are only a little, if at all, above the earnings of the members whom they are called upon to lead."

As for national officers of unions, he found that 59% of those in the CIO and 21% of those in the AFL are paid less than \$4,500 a year.

Prof. Taft concluded that "the secretary of a modest trade association or a personnel officer in a medium-size corporation is likely to earn as much or more than the head of a good-size international union." (*Harvard Business Review*, Winter, 1946.)

## THE AFL IN 1945

As the American Federation of Labor held no convention in 1945, it issued a report, 1945—An Epochal Year, to summarize its activities.

Total membership was reported at 6,931,221, an increase of 124,000 over the preceding year. A balance on hand of over \$2 million and benefit expenditures of nearly \$24 million were listed.

The Federation reported the appointment of David Dubinsky to the executive council on the death of Edward Flore, 10th vice president, and of John L. Lewis, head of the United Mine Workers, newly re-affiliated to the AFL, to replace the president of the International Association of Machinists. The IAM had been suspended for refusal to pay the special assessment to oppose the CIO organizing drive.

Looking toward full employment and high production based on America's demonstrated capacity to produce during the war years, the Federation called upon the government for necessary basic economic statistics; a reserve of public works plans; a federal housing program; equal and adequate educational opportunities for all; adequate scientific research and the training of scientists.

In the field of national legislation, the AFL reported it had opposed during the war chiefly: 200 anti-labor bills; conscription of labor; a large number of immigration bills; and peacetime military training.

It gave its support to: wage increases for postal and other federal and District of Columbia employees; extension of price control; amendments to the Social Security Act; the National Health Bill; federal aid to education, roads, rivers and airports; FEPC, the anti-poll tax and anti-lynch bills; the United Nations; the loan to Britain; full employment; federal housing; and a 65¢-an-hour minimum wage law.

## 1946 AFL CONVENTION

The 65th convention of the AFL, held in Chicago, October 7-17, 1946, was attended by about 650 delegates.

Total membership of the Federation, as of the end of August, 1946, was reported as 7,151,803, or 220,587 more than in 1945. The convention, after noting the results of the southern organizing campaign, called for a campaign to bring the total membership to 10 million.

Four new international unions had been chartered by the AFL since the last convention in 1944: Office Employees Intl. Union, National Assn.

of Postal Supervisors, National Farm Labor Union, and the Radio Directors Guild. During the convention the Brotherhood of Railroad Signalmen reaffiliated with the AFL after 18 years of suspension.

The largest ten unions represented at the convention, according to average membership on which they had paid per capita tax for the fiscal year ended August 31, 1946, were the following:

Teamsters	625,000
Carpenters	600,000
Mine Workers	400,000
Electrical Workers	330,000
Hotel and Restaurant Employees	287,300
Ladies Garment Workers	250,000
Hodcarriers and Common Laborers	241,700
Boilermakers and Iron Shipbuilders	241,700
Railway Clerks	229,200
Plumbers and Steamfitters	200,000

Resolutions on trade union problems and national legislation were along the lines indicated in the report for 1945. On foreign affairs the convention's action reflected the report of the executive council which endorsed the Republican-Byrnes policy of "getting tough" with the Soviet Union and charged the latter country, with being "bent on imperialism and aggressive policies to expand its power."

**Anti-Red Line:** Like all conventions of the AFL since the Russian revolution of 1917, this one took a position antagonistic to the Soviet Union. Matthew Woll, who was acting president of the (now defunct) National Civic Federation when it backed the counter-revolutionary armies of Admiral Kolchak against the Soviet government, dominated the convention's resolutions committee and brought in the customary red-baiting report.

Resolution on the peace treaties declared that the USSR "seeks domination of other peoples' lives and countries, not freedom." And Chairman Woll of the International Labor Relations Committee said that the World Federation of Trade Unions, with which the CIO is affiliated, "was conceived by the Russian dictatorship" and has "proved itself as an agency to foster Russian expansionist foreign policy." He added that the "aggression" of "Russian Communist imperialism" has "already snuffed out the independence of eleven nations between the Arctic and the Aegean." In another passage of his report he referred to the "slave

and imperialist foreign policy of Russia" and declared that the Russian people are in "feudalistic bondage and slavery." Woll used the same arguments and similar language in opposing diplomatic recognition of the Soviet Union twenty years ago.

Report of the executive council, accepted by the convention, also attacked the foreign policy of the Soviet Union in language reminiscent of Hitler and Goebbels, and now quite common in the Hearst press. It went so far as to declare that "The USSR and its subordinate 'friendly' nations are not interested in making peace but in utilization of the peace forum as well as the occupation of conquered territory as opportunities to extend the control of the Communist Party and expand a despotism as cruel and bloody as any recorded in history."

**Relations with Spain:** A resolution urging severance of relations with the fascist government of Spain and recognition of the republican government-in-exile was referred to the executive council, which apparently did not desire to have the convention take definite action in condemning the Franco dictatorship.

**Latin-American Labor Relations:** Seventeen fraternal delegates from eight Latin American countries addressed the convention, most of them stressing the importance of obtaining AFL support in opposing what they called "totalitarian" tendencies in the labor movements in that region.

Answering the greeting from the Latin American delegates, AFL Sec.-Treas. George Meany declared that "another type of dictator is looking with eager eyes" toward those countries, an oblique reference to the USSR. The aim of the AFL in the Latin American countries seems to be to aid in smashing the Latin American Federation of Labor and to establish a rival federation of labor associations that will carry out the policies of the U.S. State Department.

**Nationalization:** The convention refused to endorse even the mildest approach to a policy of government ownership of basic industries. It voted down a resolution introduced by the Molders and Foundry Workers calling for "government ownership of all mines, transportation and public utilities" as well as the "nationalization of all banks."

**Labor Cooperation for Peace:** Another defeated resolution was introduced by a Porto Rican delegate which called on the executive council to "invite the outstanding leaders of the CIO and independent unions to a round-table conference to consider the advisability of working out a plan to carry on a common foreign policy of American organized



labor as the best cooperation that could be given to the nation in its efforts to create world peace and social stability."

**Committee on Un-American Activities:** For several years AFL conventions have given their endorsement to the House Committee on Un-American Activities, known originally as the Dies Committee, and latterly as the Wood-Rankin Committee. Mainly because this committee has attacked the CIO and the Communists, while failing completely to expose the fascists in the United States, the AFL executive council states it "has done some excellent work," not specified. The convention gave unanimous endorsement to this report.

**Against Government Controls:** The Republican News, official organ of the Republican National Committee, in its November, 1946, issue, featured the action of the AFL convention in "condemning the controls of the Democratic Administration." It said the convention action "was a slashing attack on the Administration's efforts to retain controls over the Nation's economic life." It was referring to the convention resolutions which demanded immediate lifting of price controls except on rents, and dissolution of the National Wage Stabilization Board.

**Fair Employment Practice Committee:** Convention reiterated its support of fair employment practice legislation, but also approved a report of the executive council which charged that the FEPC bill, as introduced in Congress, provides for "compulsory governmental regulation." In other words, the AFL is against any FEPC law which would make it illegal for unions themselves to discriminate against Negroes. The council, in its report, declared that the widely-supported permanent FEPC bill would "deny to the trade union movement the right of self-government."

**Racial Discrimination in Unions:** A resolution on this subject was passed, condemning discrimination "in all trade unions, international and local unions, central and state bodies, as a disruptive and destructive evil which gnaws at the heart of organized labor." But it merely called on the unions "to set up anti-discrimination committees for the purpose of teaching the membership, through discussion and dissemination of literature, the dangers of discrimination because of race, creed, color, national origin and ancestry to our American democratic system and world peace." Neither this resolution nor any other introduced at the convention, referred to discrimination on account of political philosophy or belief.

**Wage Policy:** Executive council's report to the convention laid the

blame for the increase in prices in 1946 at the door of the CIO and said this had had "a disastrous effect on the entire economy." It boasted of the thousands of wage negotiations the AFL had carried on with employers without resort to strikes. It stated that it had negotiated wage increases "bringing more than 6,000,000 American workers an addition of more than one billion dollars to their yearly pay entirely without strikes." It failed to state that these negotiations were successful largely because of the CIO strikes in the mass production industries.

**Increase in Per Capita Tax:** Despite considerable opposition from some leaders of smaller unions, who wanted to equalize the dues paid to the AFL, the convention voted to increase the monthly per capita tax. Hereafter the dues from the various national and international unions will be on the basis of 2¢ per member for unions with 200,000 members or less, and 1.5¢ per member for the larger unions. The directly affiliated federal labor unions and local trade unions will pay 36¢ per member.

## THE CIO IN 1945-46

Developments in the CIO in the last two years are largely covered in the report of President Philip Murray to the eighth national convention in November, 1946. No CIO convention was held in 1945 because of the critical wartime railroad situation. Some of the main subjects dealt with in the report were the following:

**Organization:** In the two-year period ending June 30, 1946, CIO unions won 3,856 elections conducted by the National Labor Relations Board to determine representation for collective bargaining. They polled a total of 613,936 votes in these elections.

In the period between the seventh and eighth conventions two international unions were added—the International Union of United Brewery, Flour, Cereal and Soft Drink Workers and the Amalgamated Lithographers of America.

"We now have 40 international unions, national unions and organizing committees, and 396 local industrial unions affiliated with the CIO," in addition to 280 industrial union councils, including 36 state councils.

**Veterans Committee:** The report points out that as of September, 1946, there were 13,538,000 veterans of World War II in the United States, and 2,300,000 young men and women still in the armed services. It estimates that about 1,500,000 CIO members have been inducted into

the armed services since 1940. "Although not all of these have returned to their former jobs and their union, it is believed the total number of veterans now in the CIO has passed that mark. . . . Approximately 20% of our membership today, excluding those still in uniform, are veterans."

Discussing the opposition of the CIO Veterans Committee to super-seniority, or the absolute right of a veteran to a job regardless of length of service, the report reviews the court decisions denying this right and holding that the veteran is entitled to reinstatement under the terms of the collective bargaining agreement in effect. Under these decisions the veteran, according to the report, "receives full credit for the time spent in uniform and is considered as having been on the job during his full period of military service."

The Veterans Committee also worked for vacations for veterans, contending that "time spent in the service is to be considered as time spent in the plant and, therefore, the veteran is entitled to vacations on the same basis as non-veterans." As a result it "was able to secure either favorable arbitration awards or supplemental agreements in almost every case involving vacations for veterans."

The Committee also backed a series of legislative measures. It worked for the GI Bill of Rights, the Terminal Leave Bill, certain amendments to the social security act and modification in national service life insurance to make retention of insurance more desirable for the veteran.

Referring to its relations with veterans' groups the report declares that the new national commander of the American Legion "spent a considerable part of his time trying to stir up veterans against organized labor. His efforts, however, were futile. Most veterans saw through the fallacy of superseniority."

**Community Services Committee:** At the end of the war the National CIO War Relief Committee changed its name to Community Services Committee. During the war years, it reported, the CIO "contributed more than \$100 million to the National War Fund, Community Chests and American Red Cross. Last year alone CIO raised approximately \$35 million in two campaigns, \$20 million for Allied war relief, servicemen and community welfare agencies, and \$15 million for the Red Cross. . . .

"Throughout the war, the committee sponsored, jointly with the AFL, special labor projects overseas in the amount of \$10 million. These projects, ranging from financing the underground movements of Norway and China to buying microscopes for India and farm tools for

Italy, have been established in 15 countries . . . This year our special projects totalled \$2,250,000 for 12 countries."

At home, through the committee's program, the CIO "has participated in community planning to meet the health and welfare needs of the people. An ever-increasing number of CIO members represent our point of view and philosophy on the boards and committees of public and voluntary social service agencies in at least 333 cities. Through the committee's union counselling program, which has been established in 44 industrial communities, the individual out-of-plant problems of CIO members and their families are brought to the attention of agencies for speedy and effective solution."

Through its monthly publication, *Citizen CIO*, "through its other publications, radio programs, exhibits, pamphlets, posters, folders, conferences, forums and other media, the committee has brought the CIO face to face with millions of citizens in thousands of American communities throughout the world."

**Public Relations:** The report stated that the public relations program of the organization during the past two years had attracted widespread press and radio recognition. In a nation-wide public relations contest, with some 300 entries from organizations of all kinds, the CIO won a special award from the American Public Relations Association for "outstanding public relations accomplishments in 1945."

The chief handicaps to be overcome, however, it pointed out, were the fact that "the major media of opinion-formation—press, radio, movies, etc.—are controlled by large corporate interests traditionally hostile to labor's economic demands, and the financial inability of a movement supported solely by the workers' dues to compete with wealthy interests in huge advertising campaigns and expensive public relations programs."

## 1946 CIO CONVENTION

The eighth convention of the CIO was held in Atlantic City, N. J., November 18-22, 1946. It was attended by 585 delegates representing some six million workers. The largest unions, in order of the number of delegates at the convention, were the Steel Workers, Automobile Workers, Electrical Workers, Textile Workers, Mine, Mill & Smelter Workers, Clothing Workers, and Rubber Workers. The Steel Workers reported a total of 878,000 dues-paying members, with over 48,000 addi-

tional, including 41,000 in the armed services, exempt from dues payments. The Auto Workers had about 815,000, according to dues payments made for October-November, 1946.

**Declaration of Policy:** Most important action of the convention, from the standpoint of newspaper space given to the discussion, was the unanimous adoption of a recommendation of the executive board with respect to the CIO attitude toward the Communist and other political parties.

The declaration stated that the CIO as an American organization "has no interest apart from the interest of our people and our country." The delegates, it said, "resent and reject efforts of the Communist Party and other political parties to interfere in the affairs of the CIO," but it did not refer to any specific "interference."

Nothing was included in the resolution about interference in the CIO's affairs by such religious groups as the Association of Catholic Trade Unions which was very active behind the scenes, trying to obtain a more drastic resolution against Communists and the Soviet Union.

The purpose of the declaration, it was explained by President Murray, was to answer "the allegations contained in the newsprints and disseminated throughout the land that this organization . . . was Communistically dominated."

He declared, however, that the resolution "should not be construed to be a repressive measure, calculated to do certain things of a repressive nature. . . . As the President of this organization I should like it to be distinctly understood that I am definitely opposed to any form of repression in this movement of ours. There should be no misunderstanding about that."

The reactionary press was disappointed, as it hoped for a big split in the CIO over the question. Most of the capitalist press berated President Murray for his failure to aid the campaign for disrupting the organization on this issue.

**Limitation on Industrial Union Councils:** The executive board announced at the convention that it had unanimously adopted a series of amendments to its rules concerning violations of policy by city and state industrial union councils. One rule change provided that councils "shall confine their activities and statements to issues of local or state concern and to matters of general policy that have been passed upon by the national CIO." It also provided that councils "shall send no delegates or make any contribution to national organizations not recognized by

the CIO," but they may make recommendations to the national CIO "on any subject at any time" through CIO channels.

This action was interpreted as limiting the action of certain city industrial union councils where left-wing elements are said to be influential.

**Anti-Injunction Action:** Meeting during the week the miners' strike began, the convention condemned the use of the federal injunction against the miners union (AFL) and declared that efforts by judges to nullify the Norris-LaGuardia Anti-Injunction Act "must be smashed." The resolution also declared against the increasing use of injunctions by state judges for the purpose of stopping peaceful picketing, breaking strikes and interfering with union activities. It declared that anti-injunction laws must be placed on the books of all the states.

**Un-American Committee:** Unlike the AFL convention, which approved the work of the Wood-Rankin committee of Congress, the CIO convention declared that this committee "continues in the shameful tradition of Martin Dies." It "has indicated that every democratic and progressive movement in American life is subject to its vicious smears. On the other hand, it ignores and even actually encourages the activities of native Fascists, such as Gerald L. K. Smith. . . . It attacks Jews, Negroes, and other minority groups who do not conform to the bigoted creed of Congressman Rankin of Mississippi and his colleagues . . . the re-creation of this Committee by the 80th Congress would constitute a blow to the civil rights of Americans and an encouragement of Fascist-minded organizations."

**Protection of Democracy:** One of the leading resolutions rededicated the CIO and its members "to fight for full enjoyment of all rights by all Americans, regardless of race, color, creed or national origin." It called upon the U. S. Attorney General to prosecute vigorously as violators of the Civil Rights Act, state and local officers and mobs who engage in terroristic activities against any American and who seek to deprive any group of our basic constitutional right." It demanded:

(1) Immediate enactment of effective federal, state and municipal legislation providing for fair employment practices. (2) Immediate enactment of a federal anti-lynching bill. (3) Enactment of state legislation, and of federal legislation for the District of Columbia, outlawing discrimination and segregation. (4) Enactment of federal and state legislation invalidating restrictive covenants based on race, color, creed or national origin. (5) That provision be made for adequate safeguards

against racial discrimination in federal appropriations for state aid. (6) Enactment of effective federal, state and municipal civil rights laws and of laws guaranteeing the right of suffrage. (7) Removal of barriers which operate to exclude Negro newspaper men from the Senate and House press galleries in Washington.

The convention also voted in favor of the ousting of Theodore G. Bilbo of Mississippi from the U. S. Senate because he "is an enemy of labor" and "openly fosters anti-Semitism and hatred of Negroes and foreign-born Americans."

Another resolution on the Jewish people declared we "must make anti-Semitism and anti-racial acts and incitements a crime."

**Eisenhower:** General Dwight D. Eisenhower, U. S. Army Chief of Staff, told the convention: "When great emergency demanded special effort, time and again our unions loyally responded. American labor rightly shares in the laurels won by American troops on the battlefield."

The General deplored talk about the "inevitability of war. Such talk smacks of the Hitler technique that brought the world to sorrow and his country to ruin. It produces hysteria."

**Foreign Policy:** The crucial resolution on foreign policy was adopted by a unanimous resolutions committee and an almost unanimous convention. It declared that "Our nation and its people must give unstinted support to the United Nations" and "there must be a fulfillment of the agreement between the big powers on the complete demilitarization, utter destruction of all vestiges of Fascism in Germany and Japan, and the complete elimination of the cartels which furnished the economic base for Hitler's and Hirohito's military aggressions."

It also demanded the severance of all diplomatic and economic relations with Spain and Argentina as the "breeding places of world Fascism"; early steps by the United Nations for "progressive universal disarmament"; the granting of self-determination and self-government to colonial and economically backward countries; an immediate end to intervention in China by the United States and other countries; continuation of UNRRA and the granting of food, loans and other aid to "needy allies." Such aid should not be used "as a means of coercing or influencing free but needy people in the exercise of their rights of self-government."

The resolution also demanded international control of atomic energy with full power of inspection and the outlawing of atomic weapons.

"However, if we are to have peace," the resolution declared, "the stock piling of atomic bombs must cease."

The final point of the resolution asserts that Roosevelt's basic policy of friendship and unity among the wartime allies—U. S., Great Britain and the Soviet Union—must be achieved. "We reject all proposals for American participation in any bloc or alliance which would destroy the unity of the Big Three."

**Wage Policy:** At present, the convention declared, millions of American workers "find themselves totally unable to meet a budget providing for the minimum necessities of living." Under present conditions, with prices rising and profits at all-time peaks, it is "imperative that American industry in collective bargaining give substantial wage increases. Our people must have sustained purchasing power and a decent living wage to avert the swift economic tragedy which now confronts us."

**Some Other Resolutions:** Other important resolutions backed the southern organizing drive; demanded fair tax policies that lift the burden from small income groups; denounced efforts to pervert and cripple the National Labor Relations Act; renewed the struggle against the poll tax and other efforts to disfranchise voters; endorsed a 10-point program for aid to veterans; urged repeal of the Smith-Connally [War Labor Disputes] Act; expressed opposition to peacetime military conscription; urged the federalization of the U. S. Employment Service; backed the maintenance and enforcement of rent control; and pledged full support to the CIO Political Action Committee.

**Officers:** Philip Murray was unanimously re-elected to his seventh terms as President and James B. Carey was reelected secretary-treasurer. For the first time in CIO history two vice-presidents were elected from the same union—Walter P. Reuther, president of the Auto Workers, and R. J. Thomas, now vice-president of the Auto Workers.

The other seven vice-presidents elected were: L. S. Buckmaster of the Rubber Workers, Joseph Curran of the Maritime Union, Albert J. Fitzgerald of the Electrical Workers, John Green of the Shipbuilding Workers, Allan S. Haywood of the Steel Workers, Emil Rieve of the Textile Workers, and Frank Rosenblum of the Clothing Workers.

**Franklin D. Roosevelt and Sidney Hillman:** Two leaders in the struggle for peace, democracy and human rights who had died since the last CIO convention were remembered in separate resolutions. Concerning Franklin D. Roosevelt the delegates declared: "His enemies and detractors were and are the enemies of the people of the world. Each



passing year will make clearer to the people of this country and of the world the fundamental enduring contributions which he left as his legacy to mankind."

Concerning Sidney Hillman, the late president of the Amalgamated Clothing Workers and Chairman of the CIO Political Action Committee, the resolution declared: "In his labors on behalf of working men and women, of oppressed and persecuted groups throughout the world, and in his activities on behalf of the great political awakening of the American people known as the political action movement, he earned the title of a great leader of the people."

## CALL FOR UNITY

Just before the coal strike was called off December 7, 1946, Pres. Philip Murray of the CIO sent a letter to the heads of the AFL and the railroad unions asking them to join in a common defense against the growing offensive of the employers on the economic, legislative and judicial front.

This was one of the most important calls for unity coming from any labor leader for many months. Murray's letter, dated December 5, 1946, said that all the social, economic and legislative gains "of the past decade are in dire danger. The recent court injunction against the United Mine Workers of America and the vengeful fine imposed is but the first step.

"The membership of the American Federation of Labor, the Congress of Industrial Organizations, and the railway labor unions demand relief against the intolerable conditions which now confront them and protection against the ferocious attack now being made upon them. This relief can be forthcoming only through the unified action on the part of these three labor organizations. Such unity of action is imperative and of vital importance."

Murray's call for united labor action was supported by unions all over the country including AFL locals. Joint legislative bodies were established in a number of cities and states. The international executive board of the United Auto Workers (CIO) on December 18, endorsed the proposal and called for a conference of the three major labor groups and for the establishment of a joint strike fund as well as machinery to settle jurisdictional disputes arising between all labor groups.

After nearly two months, the AFL executive council, January 31, 1947,

rejected the CIO proposal of immediate united action to meet the emergency. It proposed instead that the two organizations discuss the "establishment of organic unity." It took no action to cooperate on the immediate situation.

## CAMPAIGN TO UNIONIZE THE SOUTH

Both the AFL and the CIO made special efforts in 1946 to organize workers in the southern states. They realized that the lower wages and the lack of organization in the South were a constant threat to workers elsewhere.

That the wage differential could be eliminated had been shown during the war in coal mining, oil and aircraft. But it still exists in leading southern industries. For example, in rubber it runs from 25% to 30%, in cotton textiles to about 15%, in furniture to 30% and in lumbering to between 30% and 40%. In the machinery industry straight-time hourly earnings in the South in 1945 were 83¢; elsewhere in the country they were 98¢. In the work clothing industry the workers received 55¢ in the South; 69¢ elsewhere.

The CIO had discussed the southern campaign for several years. But the formal opening of the campaign was not announced until after the executive board meeting in March, 1946.

Stimulated by the action of the CIO, the AFL movement was announced by President Green on April 22, 1946. He described it as the "most intensive organizing drive ever undertaken in the South by the trade union movement." The AFL aimed to enroll about a million members. The campaign was launched officially, May 11, at the third biennial Southern Labor Conference at Asheville, N. C. Like the CIO campaign, it called for organizing work in the textile, furniture, lumber, rubber, chemical, packinghouse, steel and oil industries. The CIO had also stressed the organization of white collar, farm, shipbuilding and agricultural processing workers.

Both organizations sought the 40,000 workers of the atomic bomb plants at Oak Ridge, Tenn. operated by the Tennessee Eastman Corp., the Union Carbide & Carbon Corp. and the Monsanto Chemical Co. In the first the workers in a NLRB vote preferred no union; in the second largest plant (Union Carbide & Carbon), the workers chose the CIO as bargaining agent. In the smallest unit (Monsanto), the AFL union won the vote.

The kind of campaign outlined by the AFL was indicated in a report to the New York Times, May 12, 1946, from the Asheville conference which said: "It was apparent from the speeches today that the Federation's main appeal would be to the conservatism of Southern business men and their employes." Pres. Green praised the southern workers stating that they had "nothing in common with the foreign philosophies of the CIO."

The CIO answered these smears by announcing that 85% of its organizers were from the South and that 75% of them were war veterans. All of them had worked in plants having contracts with the CIO.

Interim reports on progress in the South were made by both organizations. Report of the executive council to AFL convention, October 7, 1946, stated that 120,000 members had been signed up and that 900 new "collective bargaining relationships" had been established. AFL claimed victories in 225 NLRB elections, with applications pending for 300 additional elections. A later report at end of January, 1947, claimed that 270,000 had joined during the drive.

By the end of January, 1947, the CIO reported that its unions had won 333 NLRB election victories since the southern drive began in May, and lost 65, with 205 petitions for elections still pending with the Board. Membership campaigns had been conducted in more than 550 southern industrial plants. Somewhere between 150,000 and 175,000 new members had been signed up.

Among the leaders in the number of elections won and workers covered in these elections were CIO unions with the strongest policies against racial discrimination, for example, the Food & Tobacco Workers and the Fur & Leather Workers.

Unable to attack the unions directly on account of the National Labor Relations Act, some of the southern employers attempted to evade the Act by getting two fly-by-night hate sheets—*Militant Truth* and *The Trumpet*—to conduct their fight for them. These papers, with no regular subscription lists, were subsidized by the employers and appeared mysteriously in the mailboxes of employees of the Bibb Mfg. Co. at Macon, Ga., and of other plants where the CIO was conducting organizing drives. Both papers attacked the CIO, Negroes, Jews and Catholics.

The Southern States Industrial Council, the Associated Industries of Georgia and similar employer groups also tried to arouse their members against the CIO campaign.

In some places the employers used violence and terror in their efforts to stop the union drives. Up to the end of 1946, eighteen CIO organizers had been beaten by company thugs, three of them at Columbus, Ga. In one mill, Federated Press reported (October 8, 1946), the foreman "announced a \$50 reward and payment of all fines and hospital bills of employees who beat up organizers."

The Ku Klux Klan in Georgia signed up members and raised funds to fight the CIO. The fascist Columbians were also supported by Georgia industrialists to help defeat the union drive. The Exposition Cotton Mills, Atlanta, Ga., broke a strike with the aid of a goon squad headed by Columbians.

In one Georgia town a Negro who joined an AFL union was forced off the job and then beaten up when he refused to resign from the union. In Thomaston, Ga., in November, an AFL organizer, Robert Walk, was assaulted by four men with blackjacks and knives.

Referring to the violence used against the CIO, campaign director Van A. Bittner declared: "One of the worst things about this situation is that law enforcement officers in some towns appear to be working in close collusion with employers or have become suddenly blind to the beating of organizers and union members."

One of the factors that hindered the organizing campaign in the summer of 1946 was the cut in the personnel of the National Labor Relations Board through failure of Congress to give it sufficient funds. This tended to slow up plant elections and hearings on grievances. Also southern employers used delaying tactics when hearings were scheduled, thus obstructing the work of the inadequate Labor Board staff in the South.

## RAILROAD LABOR DEVELOPMENTS

A continuing trend "toward more complete representation by the national organizations" of railroad labor was shown by the National Mediation Board's 1945 report. Company unions have been almost wholly eliminated even in the shop crafts where once they were strong.

Only about 10 years ago, company unions in the shop crafts had about 30% of total railroad mileage. By 1945 this "company union" mileage had declined to only 1% in four of the crafts, and only 2% to 4% in the others.

**Union Membership:** Out of 1,360,000 employees on Class I railroads

in 1946, some 1,156,000 were members of trade unions. The four operating brotherhoods (independent) reported their membership at the end of 1946, as follows: Locomotive Engineers, 80,500; Locomotive Firemen, 115,099; Railroad Trainmen, 218,790; Railway Conductors, 39,825. Membership of these four thus totalled 454,214.

Among the railroad unions affiliated with the AFL, and their membership in 1946, are the following: Railway Clerks, 229,200; Maintenance of Way Employees, 144,100; Railway Carmen, 100,800; Firemen & Oilers, 58,100; Railroad Telegraphers, 30,000; Railway Mail Assn., 22,700; Brotherhood of Sleeping Car Porters, 10,000; Switchmen's Union of North America, 9,200.

The Brotherhood of Railroad Signalmen with some 18,000 members was reaffiliated with the AFL in 1946. It had been suspended since 1928 but never expelled.

**Wage Gains and Programs:** Shortly after V-J Day in 1945 all railroad unions served notice on the companies requesting wage increases. Operating brotherhoods sought gains of \$2.50 a day, while non-operating employees united in seeking an increase of 30¢ an hour. After the usual long-drawn out proceedings under the Railway Labor Act, arbitration boards on April 3, 1946, granted a rise of 16¢ an hour which was unacceptable to the unions involved.

In a separate case, engineers and trainmen sought further increases. President Truman on May 22 proposed a compromise in a last-minute attempt to avert the nation-wide strike. When the strike was broken rail employees gained an increase of only 18½¢ an hour, effective as of May 22, 1946. A retroactive adjustment gave them a rise of 16¢ an hour for the period January 1 to May 22. Total wage gains for all rail employees amounted to about \$684 million a year.

A conference of 38 rail union leaders in Chicago, December 1, 1946, called for AFL and CIO backing in a new campaign of rail unions for higher wages, shorter hours, and changes in working rules. Cautioning against "a repetition of the division in our ranks" during the last wage campaign, the union heads resolved that "this time all 21 unions must be solidly behind a national unified program covering the membership of all organizations."

**Pension and Unemployment Benefits:** Railroad brotherhoods took the lead in 1945 and 1946 in seeking amendments liberalizing the Railroad Retirement Act and the Unemployment Insurance Act. These amendments passed the 79th Congress in its closing days and became law on

July 31, 1946. Hailed as the best social security measures so far established in this country, they are here summarized briefly.

Protection is provided for survivors of rail workers. Widows over 65, children under 18, or parents (where there is no widow or child) may receive monthly benefits averaging about 25% higher than the Social Security Act benefits. A lump sum death benefit is payable if survivors do not immediately qualify for monthly payments.

Totally and permanently disabled employees are now eligible for a full annuity after 10 years' service (instead of 30 as before). An employee disabled for his regular railroad job becomes eligible for a full pension after 20 years' service. Minimum disability benefit after 10 years' service is now \$30 a month.

Except for employees who have worked a very short time, the minimum retirement benefit has now been raised to \$50 a month. Women employees are eligible for a full pension at 60, men at 65.

Changes in the Railroad Unemployment Insurance Act provided sickness benefits for the first time. Sickness and maternity benefits (for women employees) are the same as for unemployment.

Maximum unemployment benefits have been increased from \$4 to \$5 a day. Maximum period for payment has been increased from 21 to 26 weeks a year.

All railroad employees are now covered. Red Caps and station ushers were thus brought under the Act.

Retirement tax was increased from 3½% to 5¾% of wages up to \$300 a month. In 1949, 1950, and 1951 the deduction will be 6% and thereafter 6¼%. Tax on employers was increased in an equal amount.

For the higher unemployment benefits and the sickness and maternity benefits, no additional tax was levied. The 3%, paid by employers only, under the Unemployment Insurance Act continues. (For further information on railroad labor development, see Labor Research Association's monthly bulletin, Railroad Notes.)

## WOMEN IN TRADE UNIONS

Organized women workers numbered about 3½ million in November, 1946, the National Women's Trade Union League estimated. Only about 20% of the 16,710,000 women employed at that time were members of trade unions.

Unions having over 40,000 women members in 1945 included the

following: Electrical, Radio & Machine (CIO), 280,000; Automobile, (CIO) 275,000; Ladies Garment (AFL), 250,000; Men's Clothing (CIO), 200,000; Textile (CIO), 175,000; Telephone (Independent), 150,000; Steel (CIO), 75,000; Railway Clerks (AFL), 75,000; Retail and Wholesale (CIO), 75,000; Textile (AFL), 50,000; Bakery & Confectionery, (AFL), 50,000. These are the estimates of the U. S. Women's Bureau on the basis of union reports.

Among the large unions which have adopted equal pay for women as an official union policy are the Automobile Workers (CIO) and the Electrical Workers (CIO).

**Seniority:** The problem of seniority is of vital importance to women workers since the system aims to protect the job rights of workers, according to the length of employment, and to prevent discrimination in lay-offs, promotions and rehiring.

In over four-fifths of union contracts studied by the U. S. Women's Bureau in 1945, the same seniority rights for men and women had been secured. In one-fifth of the contracts women were kept on separate seniority lists.

In addition to seniority provisions applying to men and women alike in union contracts, both the Automobile Workers (CIO) and the Electrical Workers (CIO) recommend to their local unions a sample contract including a general non-discrimination clause. UE recommends the following: "There shall be no discrimination in the wages, hours or other terms and conditions of employment based on sex or marital status." FTA-CIO does the same.

Even in unions which accept straight seniority for both men and women, however, the postwar period presented special problems. When cut-backs came, the majority of newly employed women were laid off because they had not accumulated enough seniority to retain their jobs. As plants reduced production and returned to one shift instead of two or three, fewer women were employed.

**Women as Union Officers:** Despite the large woman membership reported by a number of unions, women officers and organizers are still usually conspicuous by their absence. Among 2,000 delegates at the 1946 convention of the Automobile Workers (CIO), there were only 57 women, although nearly a third of the union's members at that time were women. Although two-thirds of the Ladies Garment Workers (AFL) are women, there is only one woman on the general executive board.

Neither AFL nor CIO had any woman on its executive board in 1946. Up to the end of 1946 no woman was included in the American delegation to the World Federation of Trade Unions.

No major union has a woman president. Eleanor Nelson, formerly president of the United Federal Workers became secretary-treasurer of the United Public Workers (CIO) when the Federal Workers merged with the State, County & Municipal Workers in 1946.

The Electrical Workers (CIO) announced in October, 1946, that it had promoted Elizabeth Moore to be its first woman international representative. Ruth Young as secretary of UE's district 4 is on the union's national board. Luisa Moreno of California is one of three international vice-presidents of FTA-CIO.

## THE LABOR PRESS

Between 700 and 800 newspapers and magazines are published by the American labor movement. Although the principal publications are issued by the international unions, a far larger number are owned by city and state federations (AFL), by industrial union councils (CIO), and by local unions.

The labor press appears in all sizes and shapes from the conventional full size 8-column newspaper or regulation magazine to various other formats. Most of the AFL internationals and railroad brotherhoods publish monthly magazines, while the CIO unions favor the weekly tabloid type. There are about 150 publications in this field.

The city and state-wide papers of both AFL and CIO are about evenly divided between tabloids and full-size newspapers. In the main these papers are owned by the collective unions comprising the council or federation. Others, however are privately owned but carry the endorsement of the unions they seek to represent. This last type of operation is more common among AFL publications.

Still another group of "labor papers" are owned by organizations on the periphery of the labor movement and generally express the hopes and aspirations of labor.

In addition to these groups of papers there are hundreds of small publications issued for the most part monthly by local unions. Although the vast majority of these run from mimeographed leaflets to 4-page tabloids, a few, operated by such large units as the United Automobile Workers (CIO) Ford Local 600, with a circulation of almost 70,000



weekly, are as large as the organs of many small international unions.

The principal nationwide publications are the AFL's monthly *American Federationist*, the CIO's weekly *CIO News*, and *Labor*, a 4-page newspaper issued weekly by the 15 standard railroad labor organizations.

Chief press association serving these papers is the 27-year old cooperatively-owned Federated Press, which sends out a daily file of news and features from bureaus in New York and Washington and a weekly service from Detroit. With a membership of more than 250 of the leading publications of both AFL and CIO, it also services its papers with a semi-weekly mat service of cartoons and news pictures.

Formed in 1941, as a foreign news-gathering organization for the U. S. labor press during the war, *Allied Labor News* has become increasingly important to the labor movement since V-J Day. With correspondents throughout the world, it performs a service outside the borders of the country as the FP does within the U. S. In November, 1946, ALN arranged for a joint distribution of its service through Federated Press, making it possible for FP papers to receive ALN copy daily instead of weekly.

Other services available to labor papers include the weekly clip sheets of the AFL and CIO and several small individually-owned weekly services offering assorted features or limited news coverage to specialized sections of the labor movement. A number of other organizations, chief of which are religious groups fighting discrimination, service the labor press with illustrated and written copy without charge.

Many labor papers subscribe to monthly mimeographed services, such as *Economic Notes* and *Railroad Notes* issued by Labor Research Association.

## UNION GROUP INSURANCE

Group health and insurance plans through collective bargaining agreements were extended greatly during the past two years. The period was marked by the continued growth of group insurance through the re-conversion period, and an accelerated trend toward union-administered plans.

Some 4 million of the nearly 15 million organized workers in the United States at the end of 1946 were covered by group insurance plans negotiated through collective bargaining agreements. It represents an increase of about 100% over 1944.

This was the estimate of Trade Union Agency, a firm of actuaries and consultants who specialize in assisting unions in negotiating group insurance and pension programs. TUA, which is an advisory group, not an insuring company, states that approximately 800,000 workers were covered at the end of 1946 by plans negotiated by AFL and CIO unions with this agency's assistance.

**Union Insurance Plans:** The three fundamental methods of financing and administering group insurance plans were outlined in Labor Fact Book 7. Such plans were originally controlled and administered by employers and financed in most cases by employee as well as employer contributions. Under the pressure of union demands, employers began in 1943 to assume an ever-increasing share of total cost. A significant change toward union control and administration of these plans, however, began in 1944 and has been greatly accelerated during the last two years.

The United Mine Workers' demand for a union-administered welfare fund was brought sharply to public notice in May, 1946. But such funds have been in effect and have been quietly gaining momentum since 1944. The following unions are known to have concluded agreements during the last two years, providing for union-administered funds financed completely by employer payments: New York Hotel Trades Council (AFL); Massachusetts Leather Division, Fur & Leather Workers (CIO); Chefs, Cooks, Pastry Cooks and Assistants Union (AFL); Painters District Council No. 9 (AFL); Joint Board Fur Dressers and Dyers Unions (CIO); United Hatters, Cap and Millinery Workers, Local 8, (AFL); Local 65, Wholesale and Warehouse Workers Union (CIO); Waiters and Waitresses Unions of New York (AFL); New York Dressmakers Joint Board, ILGWU (AFL); Chain Restaurant Employees Union (AFL); Furriers Joint Council (CIO); Retail Drug Store Employees Union (CIO); Pittsburgh Hotel and Restaurant Union (AFL); Optical Workers Union (CIO).

The United Furniture Workers Insurance Fund (CIO), established in 1944, has been widely developed and now has contracts with approximately 600 employers in various sections of the country.

The Amalgamated Clothing Workers (CIO), which established its own insurance company in 1944, gained increased benefits under a new agreement in 1946.

In October, 1946, District 4 of the Electrical Workers (CIO) announced that a comprehensive insurance program would be financed by a 4% employer contribution to the UE District 4 Insurance Fund.

The Mine, Mill and Smelter Workers (CIO) at its 1946 Convention announced the launching of a similar plan on a national basis.

The Auto Workers, Steelworkers, Electrical Workers and the National Maritime Union, all CIO, were planning to include such plans in their collective bargaining programs for 1947.

Typical benefits provided by group insurance plans have shown little variation, although the amount of benefits has increased somewhat in the last two years. Details vary greatly from plan to plan, with the amount of money available for benefits and differences in the composition of the group.

During the first two years of such plans experience showed that union-controlled plans, because of their great size, are ultimately able to provide greater benefits than individual employer plans. The United Furniture Workers Insurance Fund, for example, increased its program of benefits three times in the 18-month period from October, 1944, to April, 1946.

Life insurance benefits usually range from \$500 to \$4,000 for production workers. Typical accident and sickness benefits range from \$10 to \$40 a week and usually approximate 50% to 60% of base pay. Surgical benefits in most cases remain at a \$150 maximum benefit. Furniture Workers (CIO) have recently gained benefits higher than the usual maximum, while on the West Coast most recent plans have provided surgical benefits of \$225 or \$250.

Hospitalization benefits are usually provided through Blue Cross Hospital Service Plans. Blue Cross benefits vary from state to state but generally provide 21 to 30 days' hospitalization in a semi-private room, with either most or all miscellaneous hospital charges paid. Where insurance company hospital benefits are used, they generally average \$5 a day, with either \$25 or \$50 reimbursement for extra charges, and a normal benefit period of 31 days.

**Medical Reimbursement:** Payment for doctors' visits for medical care, other than surgical operations, is still the weakest feature of voluntary group insurance plans. Where such benefits are underwritten by an insurance company, the sick worker is usually provided with \$3 reimbursement for a home or hospital visit; \$2 for visits to the doctor's office. The first and sometimes the second visits are usually excluded from payment, however.

Because of the inadequacy of such benefits, most union plans do not include a medical reimbursement feature. Unions use their funds

for coverages of greater substantial benefit to union members. In the San Francisco Bay area, however, both CIO and AFL unions support the Permanente Plan, a hospitalization and medical care program which was inaugurated during the war. In 1946, the Health Insurance Plan of Greater New York was established to provide complete medical and surgical care on a non-profit basis for those receiving less than \$5,000 a year.

The New York Hotel Trades Council Medical Center and Medical Care Program provides complete home, clinical and hospital medical care for the members of this union. This plan is the result of an agreement with the N.Y. Hotel Association and is financed by surpluses from the joint Hotel Trades Council and Hotel Association group insurance plan.

A health institute of more limited scope was enlarged and re-opened by the Auto Workers (CIO) in Detroit in 1945. A similar labor health institute was established jointly by the union and employers under contract with the Retail, Wholesale and Department Store Employees of St. Louis.

## VI. LABOR RELATIONS AND STRIKES

In the first few weeks of 1947, as the 80th Congress opened its first session following the Republican victory at the polls in November, 1946, scores of anti-labor bills were introduced. Responding to the desires of employers and their associations, members of Congress, from both parties, introduced over 200 bills designed to weaken the labor movement and undermine the right of labor to organize, strike and bargain collectively.

Among those who introduced these measures were Senators Ball, Taft, Byrd, O'Daniel and Smith, while Representatives Case, Smith (Va.), Hoffman, Hartley, Herter, Landis and others headed the "get-tough-with-labor" drive in the lower house.

The main drive, as in previous years, was to secure changes in the National Labor Relations Act which would destroy its effectiveness as the Magna Charta of labor's rights. The bills, either through amendments to that Act, or otherwise, covered a wide range. They included efforts to:

Bring unions under the antitrust laws by limiting bargaining to a local union and to a small "labor market area," thus illegalizing industry-wide collective bargaining.

Force compulsory arbitration in strikes alleged to be a "threat" to the public welfare.

Amend the Norris-LaGuardia Act so that the government can break strikes by injunctions in "major labor disputes."

Deprive foremen's unions of the protection of the NLRA and permit foremen to join only unions entirely independent of the trade union movement.

Outlaw both jurisdictional and sympathy strikes and all types of secondary boycotts.

Designate various "unfair practices" which may be charged against unions under the National Labor Relations Act.

Outlaw the union or closed shop and "union security" provisions of labor contracts, while permitting company unions to be organized.

Prohibit the check-off of union dues under collective bargaining contracts.

Increase the "free speech" and other powers of employers under the National Labor Relations Act.

Outlaw employer contributions to welfare funds operated by trade unions.

Protect strike-breakers from mass picketing and other forms of alleged "intimidation."

Restrict severely the political activities of unions and union members.

For details on the effort to shackle or destroy labor unions in the 80th Congress we recommend "The Drive Against Labor," (CIO Publications, No. 138.) As Philip Murray says in the introduction, this analysis, prepared by the CIO Legal Department, cuts through "the tissue of fabrications, false issues, and deliberate distortion of labor's thoughts and action."

Although there is no space here to summarize the bills introduced in the 80th Congress, we have included a brief account of efforts to enact similar legislation in the 79th Congress, as well as in the different states, along with sketches of the main organizations behind these bills. We have also included descriptions of some of the government agencies that dealt with wages and stabilization problems during the latter part of the war and the early postwar period. We have included, finally, a summary of the strike record of the years 1945-46.

## FEDERAL ANTI-LABOR LEGISLATION

The rights of labor were under constant attack during the years 1945 and 1946. A deluge of anti-labor bills appeared in the 79th Congress, with at least 90 so listed by the AFL. A number of anti-labor measures were also offered as amendments to appropriation bills and other legislation.

Labor was divided in its attitude toward the "labor draft" bill introduced by Congressman Andrew J. May (D., Ky.) after the request of President Roosevelt, January 17, 1945, for such legislation on the grounds of manpower shortage in war industry. The May bill provided for a draft of all men between the ages of 18 and 45 to perform work in war production or other work essential to the prosecution of the war. Penalties for violation were the same as those for draft evasion—fines up to \$10,000, or five years imprisonment, or both.

This bill passed the House by a vote of 246 to 165. The Senate modified it after hearings. The House, however, refused to accept

the modified bill and the Senate refused to accept the conference bill. By this time the war was nearing its close in Europe and the measure was permitted to die.

**"Ball-and-Chain Bill":** The Ball-Burton-Hatch bill, introduced in 1945 by Senators Ball (R., Minn.), Burton (R., Ohio) and Hatch (D., N. M.), was called the Federal Industrial Relations Act, but it was known in the labor movement as the "Ball-and-Chain Bill."

This bill would have abolished the National Labor Relations Board. It would have set up a 3-man Unfair Labor Practices Tribunal, solely to administer the quasi-judicial functions of the NLRB, and a new five-man Federal Labor Relations Board with enormous powers over the mediation, conciliation and adjustment of labor disputes. Among other things the bill:

Provided for compulsory arbitration of all disputes affecting public utilities or public services, including milk, coal and oil, virtually abolishing in such industries the right to strike.

Barred strikes and imposed compulsory arbitration in all disputes arising out of differing interpretation of contracts.

Gave company-dominated minorities the opportunity to upset effective collective bargaining.

Established what amounted to a 60-day "cooling off" period, through compulsory setting up of fact-finding committees at the discretion of the Board.

Nullified parts of the Norris-LaGuardia Act and permitted the courts to issue injunctions against unions.

Made representation elections legally reversible in the courts, thus laying the basis for endless litigation against unions by the employers.

Established "unfair labor practices" of employees and made unions liable for all strike slow-downs and interruptions of work.

Imposed restrictions on the closed shop, providing that 75% of the employees in the shop must favor it.

This bill was introduced into the Senate June 20, 1945. It failed to pass. However, those behind it continued their efforts.

**Other Bills:** Among the bills introduced late in the first session of the 79th Congress was the May-Arends bill, outlawing union political action and setting jail sentences and fines for strikes in violation of contract. There was also the Norton-Ellender fact-finding bill, introduced, on recommendation of President Truman in early December, and the Case bill, which was a worse variation of the Ball-Burton-Hatch bill.

The Case bill was rushed through the House, February 7, 1946, by a vote of 258 to 155. It lay dormant in the Senate until May 27, just after President Truman had appealed to Congress for anti-strike legislation. It was then rushed through the Senate with additional amendments by Senators Byrd, Lucas and others. The provisions of the Hobbs Anti-Racketeering bill (already passed by the House) were also tacked on.

As passed by the Senate, 49 to 29, the bill provided for a compulsory 60-day cooling off fact-finding period; use of injunctions to prevent so-called "violent" and "obstructional" picketing; and banning of secondary boycotts and sympathetic strikes. It empowered the President to seize property in a work stoppage interrupting the supply of goods essential to the "public health, safety or security." It provided for loss of rights under the National Labor Relations Act as penalty for failure to return to work.

It provided for the specific exclusion of foremen and supervisory employees from the right to collective bargaining, and prohibited contributions of employers to welfare funds controlled by unions.

The bill was accepted by the House, 230 to 106, on May 29, but was vetoed by the President June 11, 1946. On return to the House it failed by only five votes to get the two-thirds majority necessary for overriding the veto.

**Other Attacks on NLRA:** Various attacks on the National Labor Relations Act were made through appropriations bills, both in the form of riders restricting the use of funds and in the reduction of the appropriation for the NLRB.

Riders introduced both in 1945 and in 1946 to prohibit the use of NLRB funds in any case involving the food processing industry and in any case involving foremen were defeated after general union protest. In 1946 the rider excluding packingshed workers from the rights of the NLRA passed the House, but it was defeated in the Senate. However, a rider was attached broadening the term "agricultural" to include many factory-type workers.

Attempts were made in both sessions of Congress to deprive the NLRB of funds needed to carry out its functions. A reduction of funds for the Board did go through Congress in both years. It amounted to about \$200,000 in 1945 and to nearly \$700,000 in 1946. The latter cut involved a reduction of about 20% in the total staff with resulting



delays in representation elections, certifications and other Board functions.

**Truman Anti-Strike Bill:** The most drastic anti-labor legislation proposed in peacetime was the Anti-Strike Bill which President Truman offered to Congress May 25, 1946, on the eve of the called-off railroad strike.

This measure was predicated nominally on the fact that the end of hostilities had not been formally proclaimed, although the war had stopped nine months earlier. It gave the President emergency powers for six months after proclaiming the cessation of hostilities, or upon a date prior to such a proclamation if both houses of Congress should agree to end the emergency powers.

The bill provided a \$5,000 fine and imprisonment for not more than one year for union officials refusing to order a return to work if the President declared the continued operation of an industry or plant vitally necessary to maintenance of the national economy. It gave the Attorney General the right to secure injunctions or restraining orders from any district court against strikers. Those who refused to return to work forfeited their rights under the NLRA and the Railway Labor Act, and if rehired by the employer, forfeited their seniority rights. After 24 hours of refusal to return to work, strikers could be drafted into the armed forces.

This bill passed the House, 306 to 13, the same day it was proposed. The Senate toned it down and passed it, 61 to 20, on May 31. After conference it went to the House Rules Committee where it remained till the end of the session.

**Anti-Petrillo and Anti-Racketeering Bills:** Two pieces of anti-labor legislation were, however, enacted. The first of these was sponsored in the Senate by Sen. Arthur Vandenberg (R., Mich.) and in the House by Rep. Clarence Lea (D., Calif.) It was designed especially to curb the activities of Pres. James C. Petrillo of the American Federation of Musicians (AFL), and passed the Senate in February, 1945. The House substituted the more drastic Lea bill which passed the House February 21, 1946 by a vote of 222 to 43.

The bill worked out in conference was passed, and was signed by President Truman April 16, 1946, thus becoming the first piece of restrictive labor legislation to bear Presidential signature in 15 years. On December 2, 1946, Federal District Judge Walter J. La Buy in Chicago, in a case based on the Lea Act, ruled it unconstitutional.

The other bill signed by the President was the Hobbs "anti-racketeering" bill, which passed the House December 13, 1945, but lay dormant in the Senate until after the Presidential veto of the Case bill. On June 21, Senator Hatch introduced the bill and it was passed. It was signed by the President July 3, although in vetoing the Case bill, to which the main provisions of the Hobbs Bill had been attached, he stated that without an exemption for legitimate union activities, the bill could "make it a felony to strike and picket peacefully, and to take other legitimate and peaceful concerted action." The Hobbs Act contains no such exemptions. Labor feared misuse of this law, pointing out that extortion and robbery were crimes already, and that the only use of the original "anti-racketeering act" of 1934 had been against a trade union, Teamsters Local 807, for trying to maintain union conditions within New York City by methods which a higher court ruled were legitimate trade union functions.

## STATE ANTI-LABOR LAWS

The flood of anti-union bills introduced into state legislatures through efforts of the Christian American Association and similar organizations in 1943 (see Labor Fact Book 7) continued in 1945 when 44 state legislatures convened. Bills limiting the political activity of unions, requiring the filing of financial statements and the registration and licensing of union organizers, or restricting the right to picket, were introduced into at least 17 state legislatures in 1945. These included, among others, Arkansas, California, Colorado, Connecticut, Maryland, Massachusetts, Michigan, Minnesota, Nebraska, New Mexico, North Dakota and Wisconsin.

"Right-to-work" bills, or amendments to state constitutions, outlawing the union shop were introduced in 1945 in Arizona, Arkansas, Colorado, Connecticut, Delaware, Georgia, Kansas, Maryland, New Hampshire, New Mexico, South Dakota, Tennessee and Texas. Such a law was passed only in South Dakota.

Very few state legislatures convened in 1946. Louisiana became the 15th state to enact anti-strike legislation. It outlawed wildcat strikes in violation of a no-strike clause in a contract, and included anti-labor provisions.

Virginia passed an anti-picketing law, forbidding among other things,

picketing by any person not employed by the business or industry picketed.

In the 1946 elections the voters of three states, Arizona, Nebraska and South Dakota, ratified constitutional amendments making it illegal for a union to insist on union membership as a condition of employment.

Massachusetts voters ratified a law requiring unions to issue public financial statements at regular intervals.

By March 1, 1947, it was reported that in 16 of 45 legislatures meeting in 1947, bills had been introduced to cripple unions in one way or another. Virginia and Tennessee had already adopted laws barring the closed shop and other forms of union security.

**Court Decisions:** Some of the state anti-labor laws passed in recent years have been thrown out in the courts. Where sections of such laws are sustained in the state courts unions have been carrying them to the U.S. Supreme Court for decision.

On January 9, 1945, the Supreme Court ruled in the case of R. J. Thomas that the Texas law, requiring the licensing of union representatives soliciting membership, was unconstitutional in so far as it abridged the right of free speech. In June, 1945, the Supreme Court invalidated the Florida law requiring the licensing of union organizers and the filing of data with the Florida Secretary of State. The Supreme Court, however, in the same month, refused to rule on the Alabama law forbidding unions to collect work-permit fees.

The high court, on March 25, 1946, refused to rule at that time on the validity of the Florida "right-to-work" law, although it admitted the law represented a threat to labor.

## COURT INJUNCTIONS AGAINST LABOR

Despite the provisions of the Norris-LaGuardia Act, injunctions have been used against labor in the last two years. Efforts to cancel out the federal anti-injunction law were manifest also in legislation introduced in the 78th, 79th and 80th Congresses.

Among the companies securing injunctions limiting the number of pickets were Warner Brothers Pictures, Carnegie-Illinois Steel, Western Electric, Westinghouse Electric and General Electric. Unions hit by the injunctions included among others the Brotherhood of Painters and Decorators (AFL), United Steelworkers (CIO), Playthings and Novelty Workers (CIO), Western Electric Employees Assn., the inde-

pendent union at the Duquesne Power and Light Co., and the United Electrical Workers (CIO). Ten injunctions were issued against the last of these unions in its strikes of 1946 in cities from the East Coast to the Pacific. In Pittsburgh, an injunction against striking the Duquesne Power and Light Co. was withdrawn September 26, 1946, after a threat of a general strike by all unions.

New Jersey Court of Chancery, March 20, 1946, ruling in favor of the Westinghouse Electric's request for an injunction, went so far as to declare the state anti-injunction law partially invalid on the technical ground that not all of its provisions were mentioned in its title.

Contradictory interpretations of the Norris-LaGuardia Act were made by different courts in granting or denying injunctions. The Northern District Court of Indiana denied General Electric's request for an injunction because of the employer's failure to make every reasonable effort to settle the labor dispute as required by the Norris-LaGuardia Act.

California Superior Court of Los Angeles County, on the other hand, ruled that "any misconduct of the plaintiff (U.S. Electrical Motors, Inc.) by refusal to negotiate or bargain with its employees' agents, is not related to later and independent acts of the striking employees acting under union direction in the form of mass picketing for the purpose of preventing free ingress or egress at the struck premises."

**Injunction Against Miners:** On November 18, 1946, the government resorted to a federal injunction to prevent members of the United Mine Workers (AFL) from walking out of the mines on November 20. The miners quit work on the date announced. On December 4, Justice T. Alan Goldsborough of the Federal District Court, Washington, D. C., who had issued the injunction, fined the UMW \$3,500,000 and John L. Lewis personally \$10,000 for contempt of court. This fine was 14 times the highest fine ever levied against a trade union, \$250,000 having been awarded the employer in the Danbury Hatters' suit in 1912, most of which was paid by the workers and the AFL in the final settlement.

All of the labor movement was prepared to back the miners in their fight against the injunction. CIO and AFL unions sent large contributions. However, on December 7, Lewis ordered the miners back to work pending appeal to the U.S. Supreme Court.

In filing a brief as "friend of the court" in the case, the National Lawyers Guild pointed out that the injunction violated the Norris-LaGuardia Act even though the government was the complainant. It

held that the conflict was not between the union and the government and that the suit "was not to protect the public interest but to support the private mine owners. It was attempting to compel the miners to bargain with the owners and at the same time insisting that they must give up their bargaining power—the right to strike."

On March 6, 1947, the Supreme Court by 7 to 2 upheld the conviction, sustained the \$10,000 fine against Lewis and ordered the fine against the union cut to \$700,000. By a vote of 5 to 4 it ruled that the Norris-LaGuardia Act did not outlaw the injunction against the union.

## ANTI-LABOR ORGANIZATIONS

Scores of organizations, subsidized by the capitalist class, devote a great part of their funds to opposing labor and devising and supporting anti-labor legislation. Those described briefly below are eleven typical organizations involved recently in such campaigns on a more than local scale. Some of them are decades old; others have sprung up in recent years.

Some are linked in various ways with the long string of fascist and semi-fascist organizations that fought against all the foreign and domestic policies of Franklin D. Roosevelt. The activities of the more open fascist groups have been described in detail in such books as *The Perils of Fascism*, *Under Cover*, *Sabotage*, *Facts and Fascism*, *Time Bomb*, *The Plotters*, *Southern Exposure* and in the writings of John L. Spivak. Such organizations have attempted to stir up racial tension in order to sow disruption in the labor movement. Some of them have been animated by a desire to destroy all the achievements of labor during the New Deal period.

The organizations described below have devoted a considerable part of their time to opposing the aims and activities of labor both on the economic and political field.

**National Association of Manufacturers:** This is much the largest, the oldest, and the most important of all the associations of corporations engaged in the fight against labor. It claims 16,000 corporate members, representing about 80% of the nation's industrial production. The budget has been about \$3,600,000 a year, but it announced after its convention in December, 1946, that its budget would total \$4,700,000 in 1947.

For over 50 years the NAM has been in the vanguard of employer opposition to progressive measures and movements. (See LRA's Eco-

nomic Notes, Dec., 1946.) Its activities were described at length by the U.S. Senate Committee on Education and Labor (LaFollette Committee) in 1940. (See Labor Fact Book 5.) It is still responsible for most of the congressional attacks on labor's rights, efforts to destroy the National Labor Relations Act through amendments, and attempts to repeal the Norris-LaGuardia anti-injunction act.

NAM also seeks restrictions on the right to strike. It would use the antitrust laws against unions and prohibit them from engaging effectively in political activities. In 1946 it spearheaded the campaign to get the U.S. Employment Service returned to the inefficient, politically-dominated direction of the separate states.

Through its propaganda subsidiary, the National Industrial Information Committee, the NAM in 1945 alone spent \$1,736,809 on various types of "educational" work. In the opening months of 1946 it spent nearly \$1 million on newspaper advertising against price control. Some of its funds subsidized college professors representing the NAM views on "free enterprise."

Dozens of national trade associations, such as the National Founders Assn. and the National Metal Trades Assn., follow the lead of the NAM, as well as state and local employers' organizations, associated industries, industrial councils, merchants and manufacturers associations and similar bodies. The strike-breaking and spy activities of some of these local organizations, for example, the Associated Industries of Cleveland, were exposed by the LaFollette Committee.

**Chamber of Commerce of the United States:** This organization has taken less direct interest in labor policies than the NAM. But its official organ, *Nation's Business*, has turned its pages over to writers like Edward C. Cowdrick who have expressed their opposition to foremen's unions, the annual wage, union-administered welfare funds and other labor objectives. This monthly organ has selected Eugene Lyons, a professional red-baiter, to run its department on "U.S. and World Affairs." Lyons also writes articles for the magazine denouncing all liberals who follow a policy of friendship with the Soviet Union.

This organization is alarmist on the subject of communism. It has set up a special Committee on Socialism and Communism and issued in 1946 a 40-page undocumented pamphlet calling for the suppression of the Communist Party, on the grounds that it is an "agent of a foreign power," and the exclusion of all Communists from any position in the government service. This pamphlet, incidentally, elicited a wire

of congratulations from President Robert R. Wason of the NAM declaring, "We are behind you 100%."

**National Economic Council:** This organization, of which Merwin K. Hart is chairman, is an outgrowth of Hart's New York State Economic Council founded in 1930, which for years worked against every form of labor and social legislation in New York State. Hart, one of the founders of the America First Committee, also organized the American Union for Nationalist Spain. He went to Franco Spain in 1938 and became a cooperorator with German Bundists and the leading defender of the Franco Clerical-Fascist cause in the United States.

He was also closely connected with the Christian Front in New York City, and has on his board of directors prominent businessmen of the more reactionary type, with the duPonts contributing to his treasury. He organized a Pro-Franco mass meeting in New York City in November, 1939. Upton Close, a leading "nationalist" radio commentator, speaks on the NEC broadcasts. NEC's expensive advertising campaigns in 1946 were aimed at mythical "Communists in Washington" who "induced a weak-willed Congress to clamp OPA on you." Hart was one of the promoters of American Action, Inc. and devoted some of his energies the previous year, 1945, to fighting the Murray full employment bill.

In his Economic Council Letter August 15, 1946, Hart advocated the death penalty for every "Communist" who did not resign from the public service within ten days after passage of a law barring them from such jobs. He also urged life imprisonment for any one in public office who had cooperated with Communists and who did not similarly resign within ten days. In the same letter Hart declared that the United Nations cannot succeed because "human nature is what it is" and because the Soviet Union is in it.

**Committee for Constitutional Government:** Founded in 1937 by millionaire Frank Gannett, fourth largest newspaper publisher in the country, this association claims it has distributed as many as 15 million books and pamphlets annually attacking the CIO's "collectivist program," and the New Deal. The Committee spent about \$300,000 a year for such purposes between 1937 and 1944.

One of its chief pamphleteers has been former Rep. Samuel B. Pettengill of Indiana, ex-chairman of the National Republican Finance Committee, whom Rep. Wright Patman of Texas has called on the floor of the House, "America's No. 1 Fascist." (Congressional Record, March

13, 1945). Executive Secretary of the Committee has been Edward A. Rumely, former German agent who was convicted of withholding information from the Alien Property Custodian regarding the German ownership of the New York Mail in World War I. In October, 1944, he was indicted for refusing to disclose the financial records of the CCG to the House Campaign Expenditures Committee.

In 1946 the CCG paid for full-page advertisements calling for a pressure campaign for the "rewriting" of the National Labor Relations Act and repeal of the Norris-LaGuardia Act. In 1945 it attacked the whole concept of full employment in its campaign against the Murray Full Employment bill.

**American Action, Inc.:** Secretly organized in 1945 and incorporated in January, 1946, this group was called by O. John Rogge, Special Assistant to the Attorney General, "the political arm of domestic fascism." It is backed by some of the same men who are in the Committee for Constitutional Government and the National Economic Council as well as members of the old Crusaders, American Liberty League and America First Committee. Robert M. Harriss, New York cotton broker, and financial advisor to Father Coughlin, is also active in this organization which opposed all progressive and labor candidates in the 1946 elections. Other sponsors are Col. Robert R. McCormick, publisher of the Chicago Tribune; Ernest T. Weir, chairman of the Weirton Steel Co.; J. H. Pew, president of the Sun Oil Co.; and Lamont duPont, the last three being prominent also in the NAM.

American Action also had the support of Gerald L. K. Smith and The Gentile News, strongly anti-Semitic paper published in Chicago. Despite the expenditure of a large sum of money, the organization failed to obtain the defeat of Vito Marcantonio for Congress in 1946.

**National Small Business Men's Association:** This organization has close interlocking relations with the Committee for Constitutional Government. The President is DeWitt Emery, Akron, Ohio, business man who founded the organization in 1937. Although no nationally prominent fascists or big businessmen are on its letterhead it carries on for the same general labor-baiting program as the National Association of Manufacturers and has received substantial contributions from large manufacturers in the Middle West.

It distributes much the same type of literature as the Gannett and Hart organizations, and has joined in the campaign to defeat the Wagner-Murray-Dingell public health bill as well as other legislation



helpful to workers. In his recent book, *Southern Exposure*, Stetson Kennedy reports that this organization "agitates for 'Christian-American' legislation to abolish all forms of union security; it champions the O'Daniel-Rankin proposal to enable and encourage veterans to violate union security contracts."

In 1946 Emery conducted an expensive advertising campaign against labor, the main target being the National Labor Relations Act. He claimed also that he helped to obtain the "freeze" of the social security tax at the low rates obtained in 1945. In 1945 also he broadcast a 12-page pamphlet entitled *PAC, Spearhead for Dictatorship*. And in 1946 he claimed credit for the War Department's withdrawal of a standard economics text book, used in the Armed Forces Institute, because it advocated heavier inheritance and income taxes on the rich. (See *In Fact*, Dec. 16, 1946.)

**Conference of American Small Business Organizations:** This is another organization ostensibly representing small business but actually promoting propaganda for big business. It aims to present what it describes as "the rape of small business" by "economic dictatorship," "state socialism," and "Big Labor." In the spring of 1946 it ran a series of inflammatory anti-CIO advertisements in metropolitan newspapers. It drafted a 13-point "code of labor relations" which, in effect, would have wiped out all of labor's gains under Roosevelt.

In the call to its "Seventh National Session" in December, 1945, it declared: "Now is the appropriate time to change the Wagner Act, or get rid of it." It also opposed the Wagner-Murray-Dingell bill and the original Murray Full Employment bill, stating that "sixty million jobs" is a "snare, a delusion and a political subterfuge unworthy of America." It also fought the FEPC bill which it called "the legal hamstring of business," supported the Case anti-labor bill, and opposed the 65-cent minimum wage bill in Congress.

When asked how the program of the conference differed from that of the NAM, R. H. Shaw, the administrative official in the Chicago office, said his organization had the same aims as the NAM but that NAM "is mostly for manufacturers and we're concentrating on distributors." (*Federated Press*, April 19, 1946.) Frederick A. Virkus is the chairman of the CASBO.

**Constitutional Educational League:** This was one of the minor organizations exposed by the LaFollette Committee of the U.S. Senate as engaged in efforts to interfere with collective bargaining and free

speech. It devoted its efforts primarily to attacks on the CIO and progressive trade unions. Joseph P. Kamp, its secretary, is a close friend of the native fascists who were indicted on sedition charges during the war. He has helped spread their anti-Semitic, Nazi-inspired propaganda and has been active recently in efforts to prevent labor unions from growing in the South. He has written such pamphlets as "Join the CIO and Help Build a Soviet America," which was widely circulated by corporations to sow dissension in the ranks of labor. (Labor Research Association counted 20 falsehoods and errors of fact in this pamphlet.) In December, 1944, a federal grand jury indicted Kamp for contempt of the House Campaign Expenditures Committee for refusing to give the names of officers and contributors of the CEL. He was tried in December, 1946, but the jury was unable to reach a verdict.

**Tool Owners Union:** This organization, incorporated in 1945, was conceived by its President, Allen W. Rucker, a consultant for New England corporations, with the aim of making the middle class anti-labor. Full-page advertisements in the press stated its purposes and called for members among "50 million thrifty Americans." Its other goals have been the "rewriting" of the National Labor Relations Act, lower corporate taxes and the defeat of progressive legislation. Raoul E. Desvernine, former president of Crucible Steel Co. and a leader in the defunct American Liberty League, is on the board of founders of TOU. Its advisory committee includes Alfred P. Haake who has close connections with such semi-fascist organizations as the Citizens USA Committee.

On February 27, 1946, the N. Y. State Board of Standards and Appeals denied TOU's application for a charter, calling it a "fascistic organization."

**Christian American Association:** As noted in Labor Fact Book 7, this organization, aided by Sen. W. Lee ("Pappy") O'Daniel of Texas, took the lead in getting anti-labor laws passed in a dozen states in 1943. It functioned in several more states in 1945 and 1946.

These laws included statutes against the union shop, for the compulsory incorporation of unions, for the licensing of unions and union organizers and restricting the right to picket. On the national front the association agitates for a federal "right-to-work" amendment to the U.S. constitution and for outright repeal, or at least complete "revision," of the National Labor Relations Act.

The character of this organization is suggested by a statement of its chief clerk, Mrs. Vance Muse, to a reporter. "Christian Americans can't

afford to be anti-Semitic, but we know where we stand on the Jews, all right. It doesn't pay us to work with Winrod, Smith, Coughlin and those others up North; they're too outspoken and would get us into trouble. . . . You'd be surprised how many important corporations support our work." (Details on this organization are given in Southern Exposure.)

**Fight for Free Enterprise, Inc.:** This group founded in Texas in 1944, is closely related to the Christian American Association. In its attempt to discredit the CIO it tried to use the title "CIO Inc.," but was enjoined by the courts from this form of attack.

Headed by William Walker and Phil Hopkins, the board of the organization is loaded with Texas oil magnates and works closely with the Texas Citrus and Vegetable Growers Assn., a Texas counterpart of the Associated Farmers in California.

Walker has been active in Joe Kamp's Constitutional Educational League. The main aim of the FFE, as outlined by Walker, is to harass the CIO in the courts with injunction suits and to organize veterans into "direct action committees" to fight the unions.

Its legislative program includes "right-to-work" bills, exclusion of Negroes from the ballot, retention of the poll tax, and disfranchisement of all federal employees in Texas elections. Like other organizations of this type, the FFE has refused to name its financial backers.

## NATIONAL LABOR RELATIONS BOARD

In June, 1945, the National Labor Relations Board, established to administer the National Labor Relations Act, reached its 10th birthday. During its first decade it had handled some 36,000 unfair labor practices cases and 38,000 cases involving employee representation for collective bargaining. It had disestablished about 2,000 company unions and ordered 300,000 employees reinstated, with back pay totaling about \$9,000,000.

In this 10-year period more than 6,100,000 workers voted in 24,000 NLRB elections. The workers voted for the CIO in 40% of these elections; for the AFL in 33.4%, for independent unions in 10.5% and for no union in 16.1%. About 85% of all eligible workers had voted in these elections. Over 1,300,000 ballots were cast for the AFL, some 2,800,000 for the CIO, 800,000 for independent unions, while 1,200,000 were for "no union."

During the first ten years of its existence, the NLRB had made 11,000 formal decisions, of which 600 were appealed to circuit courts and 55 to the U. S. Supreme Court. The board won 53 of the 55 cases appealed to the Supreme Court.

In the years 1945 and 1946 the load of the NLRB continued to mount. In the fiscal year ending June 30, 1945, the board handled 7,310 new representation petitions, an increase of 10.7% over the preceding year. It handled 2,427 unfair labor practices cases, a decrease of 5.7% from the previous year.

During the fiscal year ending June 30, 1946, the Board received 8,445 new representation cases and 3,815 unfair labor practices cases. The proportion of complaint cases involving unfair labor practices was on the rise, contrary to the trend since 1942. They amounted to 31% of the total in 1946 as compared to 25% in 1945.

The unfair practices charged against employers did not vary substantially from preceding years. They involved discharging or otherwise discriminating against employees because of their union activities and employer refusal or failure to bargain in good faith.

During the fiscal year 1946, AFL unions won majority designation in more elections but they involved fewer workers than the plants where the CIO unions won. The AFL won in 2,004 elections, with a total of 175,332 votes; CIO affiliates won 1,958 elections, with 263,641 votes; unaffiliated unions won 484 elections, with 90,847 votes.

**Strike Issues:** In answer to the enemies of labor, who have cited the increase in strikes in recent years as an evidence of the Board's failure to accomplish its purposes, the 11th annual report of the Board, for the 1946 fiscal year, pointed out that "extremely few of the strikes of the past year involved issues which fall within the jurisdiction of the Board." It reported that "the only kind of strikes which the Board was created to discourage, those involving recognition and the commission of unfair labor practices, have declined sharply, both absolutely and relatively since 1937."

The Board, it should be remembered, has no power to deal with disputes over the substantive issues of collective bargaining, i.e., disputes over specific problems of wages, hours and working conditions.

**NLRB Decisions:** One of the main questions before the Board in the last two years was the right of foremen to organize. Its decisions upholding this right in the Packard Motor Car Co. case (Dec. 8, 1945)

and Jones & Laughlin Steel Corp. coal mine supervisors' case (March, 1946) were appealed to the U. S. Supreme Court. In the Packard case the high court decided, March 10, 1947, in a 5-4 opinion, that company must bargain with foremen's union.

Packard case involved an independent union of foremen; the Jones & Laughlin case involved foremen organized in the United Mine Workers, the same union in which the workers in the mines are organized. In the Virginia Electric & Power Co. case the right to be represented by the same local as the rank and file was accorded, though organization into the same union was made mandatory.

As a result of court decisions upholding employers' "free speech" to urge employers not to join a union, the Board has extended a company's right to give "advice" to workers on such matters. The result has been an increase of anti-union propaganda by department stores, banks and other companies recently fighting attempts of their employees to organize.

The Board also showed an increasing tendency to break down industrial bargaining units by carving out crafts into separate units, thus opening the way for the establishment of rival unions in the same plant. Such decisions on the "appropriate" unit give the employer an opportunity to play off one union against another at the expense of all the workers.

Among decisions affecting employee rights was one involving Norris, Inc. and the Bakery and Confectionery Workers. The Board ruled that strikers had the right to vote in a representation election even though temporarily employed elsewhere.

The U. S. Supreme Court sustained the Board in the Republic and Le Tourneau cases in orders requiring the companies to rescind company rules against solicitation of membership and distribution of literature by union members on company property in non-working time.

In the Scullin Steel Co. case employees who engaged in an economic strike in violation of a contract were ruled to have no right to reinstatement.

## NATIONAL WAR LABOR BOARD IN 1945

The main issue before the National War Labor Board at the beginning of 1945 in cases brought by the United Steelworkers (CIO) and other CIO and AFL unions was the question of a revision of the Little

Steel formula limiting wage increases to 15% above the January, 1941, level.

While it was admitted that the cost of living had increased by more than 30% since January, 1941, the NWLB ruled against any wage re-adjustment. It contended that average weekly wages (including overtime and other bonuses) and average hourly straight-time pay (including incentive pay and individual merit increases) had increased enough to cover the increase in the cost of living even though basic wage rates had fallen behind.

Both the CIO and the AFL protested strongly against the NWLB decision and the basis on which it was made, pointing out that the end of the war would in most cases bring an end to incentive pay as well as to overtime and other bonuses.

As the war neared an end other issues arose, such as the question of severance pay for laid-off war workers, and the maintenance of take-home pay when the length of the work week was cut.

The Board denied severance pay to aircraft plant workers (Aug. 10, 1945) on the ground that these workers knew in advance that their work would be temporary. Later in the year, however, severance pay was awarded to workers permanently displaced through plant closing by five U. S. Steel Corp. subsidiaries and workers affected by the permanent closing of a number of iron mines depleted by war production.

On August 16, just after the Japanese surrender, President Truman requested labor to continue its no-strike pledge until a substitute could be found for the NWLB. On August 18, in Executive Order 9599, he permitted employers to increase wages without permission of the Board so long as prices would not be affected.

Under an order of October 30, 1945, the Board was told to approve wage increases necessary to bring the average straight-time hourly earnings up to 33% above the January, 1941, level, or in line with increases in the cost of living.

On September 18, the NWLB, together with the U. S. Employment Service and the War Manpower Commission, were incorporated into the U. S. Department of Labor. On December 31, the NWLB was abolished along with many of its functions, while its wage stabilization functions were transferred to the new National Wage Stabilization Board.

During the nearly four years of its existence, the NWLB handled about 20,000 dispute cases, that is, cases in which labor and the employer

had not come to an agreement. It had also in this period disposed of 415,000 voluntary wage applications in which no labor dispute was involved. Altogether, in both types of cases, about 40 million workers were involved. (See previous Labor Fact Books for details on first three years of Board's work.)

In commenting on the Board in his report to the CIO convention in 1946, Pres. Murray said that "tribute must be paid to the Board for the performance of a very important function at a critical time in the history of our country . . . In its programs and policies, much of the Board's activity can be said to have made an affirmative contribution to the conduct of the war and can be said to have given substantial protection to labor organizations against the injustices and inequities which might otherwise have been inflicted because of the decision of labor not to engage in strikes."

Both the CIO and the AFL, however, criticized the wage policies of the Board, especially after the end of the war when it attempted to hold down wage rises at a time when profits were soaring and prices were moving upward. It was a policy, as Murray declared, calculated to interfere with the maintenance and advancement of the living standards of the main body of the American people.

## NATIONAL WAGE STABILIZATION BOARD

Like the NWLB the National Wage Stabilization Board was a six-man tri-partite body with representatives of labor, industry and the public.

The NWSB was without any of the quasi-judicial functions of the NWLB, its duties being restricted to approving wage increases and decreases after employers and workers had come to an agreement. It also passed on agreements as to terms and conditions in plants seized by the government, and by an Executive Order of February 14, 1946, on all terms negotiated in struck plants or recommended by fact-finding boards. In ruling on wage increases, the Board followed closely the policies of the NWLB during its final months.

The Board did not have the full backing of either labor or industry. The AFL, including the United Mine Workers of America which had returned to the AFL in January, 1946, wanted to return to free collective bargaining. Industry was fighting price control, with which the NWSB was closely associated. After the collapse of price control in the

fall of 1946 the Board lost its significance. It was winding up its affairs early in 1947 and ended its work officially on February 24.

## FACT-FINDING BOARDS

After the break up of the Labor-Management Conference in November, 1945, President Truman pressed for legislation providing for the setting up of compulsory fact-finding boards and imposing a compulsory "cooling off" period on labor during the fact-finding period.

The Norton-Ellender bill, which embodied the Truman program, met with the unanimous opposition of labor, based mainly on its curtailment of the right to strike. The bill had only the much-qualified support of the employers who objected to the features in the bill requiring industry to supply facts to the fact-finding boards. The National Association of Manufacturers through its President, Ira Mosher, also objected to the Board's having authority to make any recommendations.

This bill was defeated. But similar provisions were incorporated in the Case bill, later vetoed by the President.

Despite the unfavorable reception by both labor and capital, six fact-finding boards were appointed by the President or the Secretary of Labor between November 27, 1945, and January 17, 1946, and five others had been appointed by October 1, 1946. (See Labor Information Bulletin, Nov., 1946.)

The first of these involved 30,000 workers in 22 oil companies, all of whose plants had been seized by the Navy, October 4, 1945, as a result of a strike. This Oil Industry Board recommended an 18% increase in basic wage rates as compared to the 31% asked by the union. This amount had previously been agreed to by one company and was subsequently agreed to by the rest. It was accepted by the union.

The second fact-finding body had to deal with the General Motors Co. and is described later in this chapter. Another was appointed in the steel strike but before it completed its findings President Truman made his offer of 18½¢ an hour increase.

In the meat-packing industry, the Board was appointed after 300,000 workers, mainly in the CIO, had gone on strike. Department of Agriculture took possession of the plants, ordered the workers back to their jobs, and agreed to ask the NWSB for approval of the recommendations of the Board. On Feb. 7, 1946, the Board recommended a 16¢ an hour increase (about 20%), which was accepted by the union.



In the case of the Greyhound Bus Lines, an increase of about 14% was accepted by both parties, and the International Longshoremen and Warehousemen (CIO) and the waterfront employers of the Pacific Coast accepted a recommendation for an increase of about 20%. Reports of other boards were accepted in the fall of 1946 by all parties in disputes involving the Pacific Gas and Electric Co., Western Union, and Milwaukee Gas Light Co.

Settlements on the basis of fact-finding board reports were effectuated only after long strikes in the case of the International Harvester Co. (18¢ increase, about 15%) and the country's leading non-ferrous metal companies. Involved in the latter strike were Phelps Dodge, Anaconda, Kennecott and U. S. Smelting and Refining. The Mine Mill & Smelter Workers (CIO) won a 18.5¢ increase and adjustments in the common labor rate.

## STRIKE STATISTICS

More than 4,650,000 workers were involved in strikes in 1946—the largest number in any year in American labor history. The previous peak was in 1919 when 4,160,348 were involved in strikes. About 3,467,000 were on strike in 1945.

In its strike statistics, the U. S. Bureau of Labor Statistics explains that the word "strike" is used to include all stoppages of work due to labor disputes. Both strikes and lockouts are included, regardless of whether employers or workers initiate or are responsible for the work stoppages.

The actual number of strikes had been greater in 1944 than in either 1945 or 1946. Here are the figures for these three years:

	1946	1945	1944
Stoppages	4,700	4,750	4,956
Workers involved	4,650,000	3,467,000	2,116,000
Man-days idle	113,000,000	38,025,000	9,000,000
% of available time	1.5	0.47	0.09

Strikes in 1944 were short and involved few workers. After the war ended (Aug., 1945) the character of the strikes changed when employers held out against granting wage increases. With the shift from longer wartime hours to a 40-hour week in the months of reconversion, workers lost heavily in the amount of take-home pay. They found their

wages falling at the very time when living costs were rising steadily and rapidly. They sought wage gains in negotiations with employers but were repeatedly forced to strike to obtain any increases. Wages were the major issue in more than half of 436 larger postwar strikes analyzed by the Bureau of Labor Statistics.

**Unions Involved:** AFL unions were involved in about 34% of the strikes of 1944 and accounted for over 21% of workers involved in all strikes and for more than 27% of the man-days idle. In 1945 the AFL participated in about 37% of the strikes involving nearly 20% of the workers and about 25% of man-days idle.

CIO unions in 1944 were involved in over 39% of the strikes and accounted for more than 52% of all the workers involved and for over 38% of man-days lost. In 1945 the CIO participated in about 40% of the total number accounting for over 49% of the workers in strikes and for over 39% of the idle man-days.

In a special study of 436 larger postwar strikes in the 12 months from August, 1945, through August, 1946, the Bureau of Labor Statistics found the AFL was involved in 142 which accounted for 27% of the idle man-days. This included the United Mine Workers which reaffiliated with the AFL in January, 1946. CIO unions were involved in 230 of these larger strikes and accounted for nearly two-thirds of the time lost.

**Causes of Strikes:** About 50% of the strikes in both 1944 and 1945 were due to demands for higher wages and shorter hours. In the strikes of 1946 wages were the major issue.

In 1945 the largest number of workers were on strike because of "fringe" wage issues which included holiday and vacation pay, adjustment of piece rates, and payment for traveling time. Such issues accounted for nearly 23% of the man-days idle in 1945 and for about 16% in 1944.

**Settlement of Strikes:** In both 1944 and 1945 more than a third of the strikes were ended in agreement between the company and union concerned.

The government seized the company's plants in 20 strikes in 1945. Of these, 17 occurred before the end of the war in August. In 14 of these seizures the company had failed to comply with decisions or orders of the National War Labor Board. In 1944, there were 17 government seizures of plants.

## GENERAL MOTORS STRIKE

The longest major strike in the history of the automobile workers started November 21, 1945, when more than 200,000 employees of General Motors Corp. in 92 plants in some 50 towns and cities walked out. Members of the United Automobile Workers (CIO) had received no wage increase since 1942. They asked for a 30% raise (33¢ an hour) to offset the rise in living costs and to compensate for loss of overtime when the war ended.

GM's first offer was 10¢ an hour more. This was refused by the union which demanded to see the company's books to ascertain its ability to pay an increase of 30%.

On December 14, 1945, President Truman appointed a fact-finding board, which held public meetings and recommended a 17.4% increase, amounting to 19½¢ an hour for a 40-hour week. The company refused both to supply facts to the board and to comply with its recommendations.

After 16 weeks, the strike was finally settled March 13, 1946, with a pay increase of 18½¢ an hour. Workers also won the following: reinstatement with modifications of 1945 contract cancelled by GM December 10, 1945, the contract to last for two years but question of wages might be reopened after 1 year; check-off of union dues and general assessments irrevocable for the life of the agreement; retroactive raise of 13½¢ an hour for the 2 weeks before the strike began; vacation plan whereby employees with 1 to 3 years seniority received 2% of gross annual earnings, 3 to 5 years, 3%, 5 years and more, 4½%; agreement to eliminate certain intra-plant wage inequalities; general wage increase also applying to office and clerical workers, technicians, plant protection employees and other such groups.

## STEEL STRIKE

The first nationwide steel strike since the United Steelworkers (CIO) was organized (1937) began January 21, 1946, and lasted four weeks. It was called after a 5 to 1 strike vote in the union.

Involving about 750,000 workers in 30 states, the strike came after weeks of fruitless negotiations with Benjamin Fairless, president of the U.S. Steel Corp. and spokesman for the industry.

The strike was settled February 18, 1946. Union gained a wage rise

of 18½¢ an hour while the government agreed to raise the price of steel \$5 a ton. The contract provided also for a 9¼¢ retroactive increase for the period from January 1 to February 18, maintenance of membership, and dues checkoff. The last two demands had been granted for the war period under a National War Labor Board order.

Despite the highest single wage rise in the history of the industry, the steelworkers won only \$7.40 more a week towards offsetting the loss of about \$14 a week which they had suffered after the end of the war through elimination of overtime work and the downgrading of many workers.

## ELECTRICAL UNION STRIKES

On January 15, 1946, some 200,000 electrical workers led by the Electrical Workers (CIO) went on strike at 78 plants of General Electric Co., Westinghouse Electric Co. and General Motors Corp. (electrical division) located in 16 states. Their demands included wage increases of \$2 a day or 25¢ an hour.

General Motors was the first to settle. On February 9 the company agreed to an increase of 18½¢ an hour, of which 13½¢ was retroactive to November 7. The agreement covered 25,000 workers in five GM plants.

On March 13 the General Electric settled for the same hourly increase and the union won also a 90-day extension of the contract which was scheduled to expire April 1.

The last to settle was Westinghouse which prolonged the strike until May 9. The federal mediators withdrew saying that the attitude of the company "made mediation impossible." The strike was finally settled for an 18¢-an-hour increase, plus a fund of 1¢ an hour per worker to be used for erasing inequities.

At the Phelps Dodge Copper Products Corp., the same CIO union was involved in a long and costly strike, provoked by the company. Starting on January 4, 1946, the strike involved some 2,000 workers in several Phelps Dodge plants and lasted eight months.

On July 30, 1946, at the Phelps Dodge plant, Elizabeth, N. J., Mario Russo, 27-year-old war veteran and executive board member of UE's local 445, was shot on the picket line. A thug employed by the company was responsible for the shooting. Russo died from the wounds on

September 20, 1946. He left a widow and four children. Over 5,000 workers from six UE locals attended the funeral.

The strike was finally settled on September 7, 1946. Workers won a union contract, with wage increases of 18½¢ an hour, paid vacations, and the upgrading of day workers to top rates within three months after hiring.

## MARITIME STRIKES

The Committee for Maritime Unity, formed in May, 1946, and representing seven seamen's unions, called a nationwide maritime strike to begin June 15, 1946. The committee represented 214,000 members of the International Longshoremen's & Warehousemen's Union (CIO), National Maritime Union (CIO), American Communications Association (CIO), Inlandboatmen's Union (CIO), National Union of Marine Cooks and Stewards (CIO), National Marine Engineers' Beneficial Association (CIO), and Marine Firemen, Oilers, Watertenders & Wipers (unaffiliated).

Because of the solidarity of the seamen internationally as well as nationally, the strike was averted by a settlement a few minutes before the time set to go out. The seamen won a basic 48-hour week at sea with overtime after 8 hours and on Sunday; in port a 40-hour week with Saturday and Sunday overtime days; raise of overtime rate to \$1 an hour; and \$17.50 a month increase retroactive to April 1, with larger increases for skilled ratings to be negotiated. Longshoremen received an increase of 22¢ an hour, retroactive to October 1, 1945.

**Lakes Strike:** A 2-week strike of members of the National Maritime Union on the Great Lakes ended August 30, 1946, with a reduction in basic hours from 56 a week to 48 while at sea, to 44 a week in port, and to 40 for the layup and outfitting season. All work beyond these limits would be paid at overtime rates. About 15,000 seamen were involved of whom 9,000 were employed by the anti-union Lake Carriers Association.

**AFL Seamen's Strike:** The next big strike occurred September 5, 1946, when the Seafarers International Union (AFL) and the Sailors Union of the Pacific (AFL) with a combined membership of 60-65,000 walked off the ships. The strike was caused by a refusal of the Wage Stabilization Board to approve increases above the \$17.50 which the CIO had gotten a month before. Some 500,000 AFL and CIO sailors, long-

shoremen, tugboatmen and other workers were directly affected by the strike which was called by the SIU on the east and gulf coast and by the SUP on the west coast. It ended September 13, with original demands of \$27.50 for the SIU and \$22.50 per month for the SUP granted.

**Equalization Strike:** The increased award to the AFL seamen caused the National Maritime Union, National Union of Marine Cooks and Stewards, and Marine Firemen, Oilers, Watertenders & Wipers, to strike again for the equalization of wages, on September 13, 1946. The strike ended September 20 with equalization won, and the principle of equal pay for equal work established.

**CIO and AFL:** On October 1, 1946, 25,000 members of the International Longshoremen's & Warehousemen's Union (CIO) struck as their contract expired. Also walking out were the Marine Engineers Beneficial Assn., covering 15,000 licensed officers, and Masters, Mates and Pilots whose contracts also expired. The MMP strike was unprecedented because never before have captains been called to strike.

The strike was settled October 28 on the east and gulf coasts and on the west coast November 23. Both unions won a 15% increase, an increase in overtime pay to \$1.50 an hour and \$1.50 an hour straight pay for night relief officers. The MEBA on all coasts and the MMP on the east coast and gulf also won union preference and maintenance of membership. The longshoremen ended their strike on November 20, with a gain of approximately 11%, bringing their basic hourly rate to \$1.52.

## RAILROAD STRIKE

America's first nation-wide railroad strike, involving 280,000 locomotive engineers and trainmen, became effective on May 23, 1946, and tied up practically all train transportation in the United States for two days. On May 25, President Truman broke the strike with a threat to call out federal troops, man the trains, protect all scabs and induct strikers into the army, unless the men went back to work by 4 P.M. Army and navy were alerted for strike-breaking action and for "riot duty."

Denouncing the President's strike-breaking, Pres. Alvanley Johnston of the Locomotive Engineers and Pres. A. F. Whitney of the Trainmen, nevertheless, signed the memorandum of agreement which provided wage increases of 18½¢ an hour. Of this amount, 2½¢ was in lieu of

the working rule changes demanded by the unions. All the long-standing grievances on working rules were postponed for one year.

Issues raised in the railroad dispute started in July, 1945, when five operating brotherhoods and 15 "non-operating" unions demanded wage increases. Direct negotiations between unions and railroads were soon deadlocked. All but engineers and trainmen agreed to postpone changes in working rules and accept arbitration of wage questions as binding.

A fact-finding board appointed by President Truman in the engineers-trainmen case, and two arbitration boards in the other union cases, all reported in April, 1946, recommending an identical increase of 16¢ an hour, or \$1.28 a day, for all rail workers. Engineers and trainmen rejected the award and scheduled a strike for May 18.

On May 17, the federal government seized the railroads. At the request of President Truman, engineers and trainmen then postponed their strike call for five days to May 23 while negotiations under the auspices of federal conciliators continued.

A compromise proposal for 18½¢ an hour with no changes in working rules was rejected at first by the unions. In the face of government strike-breaking, however, this compromise formed the final basis for "settling" the strike on May 25.

## COAL STRIKES

Some 400,000 bituminous coal miners in the United Mine Workers (AFL) went on strike April 1, 1946, following expiration of their old contract on March 31. The strike lasted 60 days and was settled, May, 29, with the mines operated under government supervision. The miners won wage increases of 18½¢ an hour retroactive to May 22, bringing the miners' base rates up to \$1.185 an hour; shorter working hours; a welfare fund of 5¢ a ton, the fund to be managed jointly by union and management; an increase of vacation pay from \$75 to \$100; and mandatory compliance with federal mine safety laws and compliance with the National Labor Relations Board ruling with respect to collective bargaining rights for foremen.

On November 20, 1946, soft coal miners struck again, but the government contended the agreement of May, 1946, was for the full term of government operation and issued an injunction against John L. Lewis, UMW president. The strike was ended December 7, 1946, on Lewis'

order, and miners returned under the conditions of the May agreement. (See section on Injunctions in this chapter.)

## COMMUNITY GENERAL STRIKES

The year 1946 witnessed a number of strikes that may be classified as general strikes on a community level. This type of strike usually involves all, or at least a large part, of the organized workers of a single community who back up the economic demands of a strike by a particular union in one industry. The solidarity of AFL and CIO workers on this local level is noteworthy. The effectiveness of such movements have led employer organizations such as the National Association of Manufacturers to try to get legislation passed outlawing the sympathy strike.

**Stamford:** More than 12,000 workers in Stamford, Conn., tied up the city's industry on January 3, 1946, in the first general strike in the state's history. The one-day walk-out was in protest against the use of state police in breaking up picket lines at the Yale & Towne Lock Co. Some 3,000 Machinists had been on strike nine weeks. AFL and CIO unions were united in the Stamford Combined Labor Organization, established by 56 local unions.

As a result of the demonstration, Yale & Towne offered a compromise but the strike was not settled until April 5, 1946, when the Machinists won a 12½¢-hourly wage increase (about 16%), vacations with pay, and union security. A similar settlement was reached at the company's Philadelphia plant where some 2,000 had been on strike.

**Lancaster:** A general walk-out in support of striking employees of the Conestoga Transportation Co. was called in Lancaster, Pa., February 18, 1946. Led by the Lancaster Central Labor Union (AFL) some 12,000 members of its 23 affiliated unions threw picket lines around bus stations and industrial plants and stopped all transportation. Not only all AFL unions but a CIO local and an independent union were involved in the four-day work stoppage.

The no-work order was ended only when the 200 bus and trolley men, members of the Street & Electric Railway Employees (AFL), won their 16-day strike on February 21, with provisions for wage increases of 12¢ an hour; increased pensions up to \$40 a month, payable after 20 years' service; a guarantee of 44 hours a week, maintenance of membership; seniority rights and a grievance clause.



**Houston:** Some 10,000 AFL and CIO workers walked out of plants in Houston, Texas, on March 4, 1946, in support of an AFL union of city and county employees. City employees had been on strike for two weeks for a 10¢-hourly wage increase, but the increase was refused by the City Council. The Central Trades Council (AFL) then called the general strike which was supported by all AFL and CIO unions. A majority of the original strikers were Negroes but racial barriers were broken down in the general strike. City authorities yielded and appointed a committee to consider pay increases.

**Rochester:** Starting on May 28, 1946, a general strike in Rochester, N. Y., brought out over 30,000 workers of AFL, CIO and two independent unions. For 22 hours it tied up the city completely except for emergency services.

The Republican city administration on May 15 had abolished 489 jobs in the Public Works Dept., while the AFL Federation of State, County & Municipal Employees was trying to organize the workers. AFL workers were fired and pickets were arrested and jailed. CIO unions then joined in the demonstration for the right of city employees to join a union.

The city administration yielded on May 29. It recreated the abolished jobs and invited all dismissed workers to return; any city employee to have the right to join any organization, considered loyal to the United States, which does not claim the right to strike "against the public."

**Hartford:** On July 23, 1946, some 13,000 workers in Hartford, Conn., walked out in a general one-day work stoppage to demonstrate their solidarity with striking electrical and machine workers. All AFL and CIO unions participated and the Railroad Trainmen (unaffiliated) respected picket lines at all plants. It was the first general strike in Hartford's history. The demonstration was in support of Electrical Workers (CIO) who had been on strike against the Niles-Bement-Pond Co. for 19 weeks, and the Machinists (now unaffiliated), on strike for seven weeks against United Aircraft Corp.

**Camden:** More than 25,000 workers in Camden, N. J., walked out, November 22, 1946, in support of newspapermen striking at the Camden Courier-Post. They demonstrated in mass picket lines protesting continued police brutality against strikers. No newspapers left the plant that day and restrictions on the number of pickets were removed as a result of the general walk-out.

**Oakland:** On December 3, 1946, a general strike of over 100,000 AFL members with CIO support tied up the city of Oakland, Calif. All transportation, industrial plants, newspapers and restaurants were closed down by the walk-out which lasted two days. The work stoppage was called as a protest against attempted strike-breaking by the Oakland police at Kahn's and Hastings' department stores where Local 1265 of the Retail Clerks (AFL) had been on strike for a month. It was the first general strike on the West Coast since the four-day San Francisco walk-out in 1934.

Leaders of the Teamsters (AFL) ordered their members back to work on December 5. The clerks gained an agreement with city authorities that Oakland police would not be used to guard professional strike-breakers and would refrain from taking sides in labor disputes.

## VII. POLITICAL ACTION

### LABOR AND THE SEVENTY-NINTH CONGRESS

Labor's political action movement, in surveying the work of the 79th Congress, concluded that it had completely failed the American people. In his report to the 1946 convention of the CIO, Pres. Philip Murray said that Congress had "killed or neglected every vital measure needed to meet emergency needs," and that it had also "shelved or slashed virtually every important measure needed for charting the long-term course of the country on a sound and progressive basis."

Congress also, Murray said, rejected "every move to make more effective the democratic and civil rights which underlie our system of government. On the contrary, efforts to stifle those rights were consistently encouraged." Furthermore, "a series of anti-labor bills, almost unprecedented in quantity and viciousness, were pressed and prodded at every point by the same groups who were so reluctant to act along constructive lines in other fields."

Although blocking any increase in the legal minimum wage for workers, (now 40¢ under Fair Labor Standards Act) Congress did favor one wage increase—for its own members. It passed a bill increasing their salaries from \$10,000 to \$12,500, plus a \$2,500 tax-free expense allowance.

Proposals for emergency unemployment compensation embodied in the Kilgore-Forand Bill (S. 1274; H.R. 3891) were passed by the Senate in weakened form but were killed in the House. Congress also killed a proposal to continue the U. S. Employment Service as a federal agency.

Congress again failed to pass the 65¢ minimum wage bill (S. 1349), the Wagner-Ellender-Taft long-range housing bill, the Hill aid-to-education bill, the Hook and other forestry bills, the anti-poll-tax bill, the permanent fair employment practice bill, a progressive tax program, and a bill for adequate housing aid to veterans.

Instead, it lifted the excess profit tax from corporations, destroyed effective price controls, emasculated the full employment bill, took no action on the national health bill, and established the Committee on Un-American Activities as a permanent smear committee of the House.

Most of these actions are discussed elsewhere in this volume under the appropriate headings.

The success of John Rankin and his southern poll-tax group in killing all progressive legislation, by combining with the northern Republican reactionaries, was due in part to the fact that neither Speaker Rayburn nor Majority Leader McCormack fought with determination or organized their numerical majority against the poll-taxers.

This vacillating position and willingness to retreat, as the Electrical Workers (CIO) said, in an analysis of the record of Congress, "characterized both the Senate and House majority leadership throughout the 79th Congress. The weakness of the Democratic leadership and the sabotage of their Party's platform and policies by southern Democrats, however, cannot in any way detract from the consistently reactionary policies and actions of the Republican Party. There was scarcely an important issue affecting the economic and social welfare of the American people which the Republicans, led by Rep. Martin of Massachusetts and Sen. Taft of Ohio, did not oppose. The fight against the elimination of price ceilings on existing housing obtained only eight Republican votes in the House; the fight against the emasculation of the minimum wage bill in the Senate got nine Republican votes; on the vote to sustain the President's veto of the Case bill, only 12 Republicans voted against wiping out labor's rights."

In discussing the temper of Congress since the death of President Roosevelt on April 12, 1945, the UE analysis concludes: "Whatever restraint President Roosevelt's inspiring leadership might have had on the reactionary tendencies of poll-tax Democrats and most Republicans was, of course, eliminated after his death. President Truman pledged to carry out the foreign and domestic program of his great predecessor. His words asserted his loyalty to the Chief. His deeds indicated an entirely different point of view."

## CIO POLITICAL ACTION COMMITTEE

Leadership in the effort to make the 80th Congress more responsive to the wishes of the people was assumed by the CIO-PAC aided, as in the 1944 campaign, by two other organizations devoted to the achievement of the Roosevelt economic bill of rights—the National Citizens PAC and the Independent Citizens Committee of the Arts, Sciences and Professions.

The PAC and its allies were also active in local elections. In many cities in 1945 local PAC committees were successful in electing liberal candidates. Such cities as Pittsburgh, Newark, Minneapolis, Birmingham, Los Angeles, Cincinnati, Cleveland, and Worcester (Mass.) saw the election of PAC-supported candidates.

In Detroit PAC obtained cooperation between labor and other liberal groups and this resulted in the largest vote ever received in that city by a labor candidate for mayor, 217,000 compared to 274,000 for the winner. In New York PAC worked in 1945 with the American Labor Party in helping to elect Democratic candidate, William O'Dwyer, Mayor of the city.

In the primary elections of 1946 also, the results were moderately encouraging. PAC succeeded in defeating five reactionary Senators and 15 Representatives. Among the isolationist Senators defeated were Wheeler, Shipstead and Nye. And these defeats helped a number of other Congressmen to decide not to run for re-election that year.

The death of Chairman Sidney Hillman, July 10, 1946, was a great loss to PAC. Jack Kroll, a vice-president of the Amalgamated Clothing Workers and president of the Ohio CIO Council was named director to succeed him. Aiding Kroll in the direction of PAC were Pres. Murray, Sec.-Treas. Carey, the nine vice-presidents of the CIO, and a five-man executive board including the secretary-treasurers of the largest four CIO unions.

In reply to the continued campaign of lies and slanders against PAC it pointed out, as it had in the 1944 campaign, that it was not connected in any way with any party, but would support any candidate who was in accord with progressive objectives.

A brief statement of these objectives was given in a leaflet called, What is PAC. It said:

"It is for the establishment of peace through the United Nations. It is for (a) full employment; (b) a minimum wage which will allow our people a better standard of living; (c) good housing, medical care and education for all our people; (d) equality of opportunity, regardless of race, creed or religion; (e) equal pay for equal work for women; (f) a just and adequate social security system; (g) all aid to the veteran in his need for jobs, education, housing and a full adjustment to peacetime living.

In addition to these points a major PAC pamphlet, the People's Program for 1946, by Joseph Gaer, emphasized such demands as "effective

price and rent controls—better wages for white collar workers,” protection of the interests of farmers and small businessmen, and “a truly democratic tax system.”

The operations of PAC in relation to elections were outlined by Jack Kroll before the House campaign expenditures committee, October 14, 1946. He stated that the PAC does not tell local labor groups what candidates to endorse but rather supplies the know-how and manpower to help the local people with the political work on which they have decided. PAC seeks to inform both labor and non-labor voters of the records of candidates, he said, “because all are concerned as citizens, for instance, in whether we shall have World War III or not.”

He declared also that PAC does not give money to candidates, but spends its money on its own campaign to support the candidates.

**National Citizens PAC:** This Progressive organization was established “independent of the CIO-PAC, to work for those measures which will assure fuller and better lives for all citizens. An organization with such purposes must necessarily recognize that it is the workers and farmers who comprise the greatest numbers in our population and are precisely those whose social and economic conditions must be improved, if the nation is to move forward. Labor organizations with similar objectives have approximately the same programs for political action. These parallels are not the result of domination of one by the other, but of a mutuality of interest and purpose.” (Manual of Practical Political Action, issued by National Citizens Political Action Committee, 1946).

Officers of National Citizens PAC in 1946 were: Dr. Frank Kingdon, chairman; Elmer A. Benson, chairman executive council; C. B. Baldwin, executive vice-chairman.

## CHICAGO CONFERENCE OF PROGRESSIVES

A conference of progressives was held in Chicago September 28-29, 1946, attended by over 300 delegates from 35 states. It was sponsored by the CIO-PAC, the National Citizens PAC, and the Independent Citizens Committee of the Arts, Sciences and Professions. The call was signed also by Philip Murray of the CIO, James Patton, president of the National Farmers Union, Walter White, secretary of the National Association for the Advancement of Colored People, President A. F. Whitney of the Railroad Trainmen, and Clark Foreman, president of the Southern Conference for Human Welfare. Those attending the con-

ference included former members of the Roosevelt Cabinet, Harold Ickes and Henry Morgenthau, Jr., as well as Sen. Claude Pepper of Florida.

The conference urged Henry Wallace to continue his fight for peace. Its statement on foreign policy called upon the United Nations "to take prompt action looking toward universal disarmament."

It also declared for "a free, united and independent China . . . We call upon all foreign governments as well as our own, to cease intervention in Chinese affairs and for an end to military aid to any faction. We must oblige the present Nationalist government to build a democratic coalition of all elements in China's political life."

"As agreed at Potsdam," the statement continued, "we must demolish the economic royalists, who, through German cartels, established a basis for fascist triumph. We must carry forward an eradication of the social and economic basis of Japanese militarism and imperialism. We must strictly quarantine Spain and Argentina, notorious centers of tyranny."

The domestic program of the conference called for enactment of "a workable price and rent control law . . . and the re-establishment of controls over all food items now exempted."

It urged amendment of the Patman emergency housing law to increase subsidies and the passage of the Wagner-Ellender-Taft long-range housing bill. It backed the passage of a civil rights bill and the establishment of a permanent FEPC, an integrated legislative program to increase social security benefits, an extension of the "G.I. Bill of Rights," the establishment of minimum educational standards and adequate minimum wages for public school teachers and the establishment of a National Science Foundation to include fellowships and research subsidies in the natural and social sciences.

It demanded that farm programs be based on full employment and "on the mutuality of interest between farmers and workers." It urged the creation of Valley authorities like TVA to develop the resources of the Missouri, Arkansas, Columbia, Colorado and St. Lawrence Rivers, and urged action against monopolies and international cartels in the interest of aiding small business. "We need a national fiscal policy based on progressive taxation of large incomes, with the reduction of taxes on low incomes and the exemption of all incomes below the level required for a minimum standard of decent living."

It declared, "we must defeat every effort to weaken the Wagner or

Norris-LaGuardia acts. Enact the 65-75 cent minimum wage amendment to the present law and extend its benefits to seamen, food processing workers and employees of large retail and chain stores."

The conference set up a Conference of Progressives Continuation Committee and called on the organizations represented to do their utmost to elect progressive candidates pledged to back its foreign and domestic program, in the congressional and state elections on November 5.

## ISSUES IN 1946 CAMPAIGN

As in previous campaigns the CIO-PAC and the progressive forces stressed the real issues before the people, such as housing, health, high prices, education and social security.

But the reactionaries, as in the 1944 campaign, were unwilling to discuss the real issues of vital interest to the people. Instead, they attempted to confuse the voters by raising false issues. As Director Jack Kroll of the CIO-PAC put it, they tried to blind voters with "the three C's: Controls, Confusion and Communism. Behind the iron curtain of their unbridled demagoguery, pounded into the minds of the voters day and night through their press, the reactionaries concealed their objective as they concealed their records."

The Democratic machine in many places did not meet this smear campaign head on. It tried in some respects to out-red-bait the Republicans and failed to fight for real price control. This, together with Democratic disillusionment, defeatism and distrust of the people only confused and divided the voters.

## REPUBLICANS WIN

Despite the efforts of the PAC and other progressive groups, the Republicans in the November elections won control of both houses of Congress. The number of Republicans in the House increased from 190 to 246; in the Senate, from 38 to 51.

The number of Democrats in the House fell from 243 to 188. Of the 188 it was found that 24 were Democrats who in the 79th Congress voted against their party more than half the time. In fact, 100 of them are southern Democrats who often vote like Republicans on labor and similar measures.



In the Senate the number of Democrats was cut from 57 to 45, of whom 11 had voted against their party more than half of the time in the 79th Congress.

The House line-up for the 80th Congress was as follows: 246 Republicans, 188 Democrats and one American Labor Party representative, as compared with the 79th Congress which had 190 Republicans, 243 Democrats, one American Laborite and one Progressive.

In the Senate the Republicans now had 51 and the Democrats 45 as compared with 38 Republicans, 57 Democrats and 1 Progressive in the 79th Congress.

In the following states Republican Senators replaced Democrats: Delaware, Idaho, Massachusetts, Montana, Nevada, New York, Ohio, Pennsylvania, Utah, and Washington. Wisconsin switched from a Progressive to a Republican. LaFollette, the Progressive, after his party folded up, ran in the Republican primary and lost.

The CIO-PAC reported that it was successful in 73 out of about 100 congressional districts where it had been intensely active. Its most notable victory was in Colorado, where the Democratic candidates it supported won the governorship and a House seat from the Denver district. The lesson in this victory was the fact that these candidates had been vigorously backed by all three branches of the labor movement.

In the contests for governor in the various states, the Republicans were notably successful. In New York State, Thomas E. Dewey won re-election with a lead of more than 675,000 votes.

As a result of the 1946 voting, 25 states in 1947 had Republican governors and 23 were in the Democratic column.

For the first time in many years the Republicans were able to win in three leading cities, Pittsburgh, Detroit and Chicago.

## AMERICAN LABOR PARTY

In New York State, in the face of the Dewey victory over Mead, the American Labor Party showed a strength of about 419,000 votes. Hyman Blumberg, state chairman, declared: "The vote of the ALP in New York State is positive proof of what a thoroughly integrated political labor movement can do in furthering the cause of labor on the political field as it has shown it can do in the industrial field."

Vito Marcantonio, the party's only Congressman, was elected in the 18th district, having won the Democratic nomination also in the pri-

maries. He won by a vote of 42,125 to 36,625 over his Republican opponent, Frederick Van Pelt Bryan. He was elected despite the opposition of the entire English-language press except the Daily Worker and PM. The Hearst press, the Scripps-Howard paper—World Telegram—and the N. Y. Daily News, as well as other New York daily papers, had filled their pages with lies, forgeries, and red-baiting in the hope of defeating Marcantonio.

Some of his other opponents were German elements once loyal to Hitler. The Coughlinite Christian Front also played a leading part in the effort to defeat Marcantonio, and the American Action, Inc. poured money and speakers into the district.

Adam Clayton Powell (D., N. Y.) one of the two Negroes in Congress, also won re-election in the 22nd Congressional district with the aid of the ALP, and eight other New York City Congressmen also owed their election to the ALP vote. Also, two ALP designees were elected to the state legislature, one of them to the Senate.

## HOW PROGRESSIVES FARED

Although there were bright spots here and there, the election brought the defeat of many progressives, some of them leaders in congressional battles for labor and social legislation. Among those who lost out were the following in the House: Bailey, Biemiller, Bradley (Pa.), Coffee, DeLacy, Douglas (Ill.) Doyle, Flood, Geelan, Green, Healy, Hook, Izac, Kelly, Kopplemann, McGlinchey, Neely, Outland, Rabaut, Savage, Sheridan, Starkey, Traynor, Voorhis, White and Woodhouse.

Among the progressives who were either re-elected to the House, or who won for the first time, were: Blatnick, Carroll, Celler, Crosser, Dawson, Dingell, Donahue, Douglas (Cal.), Eberharter, Feighan, Fogarty, Forand, Gordon, Gorski, Havenner, Holifield, Jackson, Kelley, Kefauver, King, Lane, Lesinski, Ludlow, McCormack, Mansfield, Marcantonio, Miller (Cal.), Monroney, Norton, O'Brien, Powell, Price, Sabath, Sadowski, Sheppard, Spence and Welch.

Progressive Senators defeated included Guffey, Mead (who resigned and ran for Governor of New York), Mitchell, Murdock and Tunnell.

Progressive Senators elected included Kilgore, McGrath and O'Mahoney.

## ANALYSIS OF VOTE

It was admitted generally that a small shift in the vote could have changed the results. According to PAC, 93 Republicans were elected to Congress by a small majority of 5% or less of the voters.

Over 91 million citizens were eligible to vote but only 34.6 million voted. The total Democratic vote declined from 25.6 million in 1944 to 15.3 million in 1946. The Republican vote likewise dropped from 22 million in 1944 to 18.2 million in 1946. There were more than one million "other votes," mainly in New York State where 419,000 went to the American Labor Party candidates and 118,000 to those of the Liberal Party.

In 58 congressional contests, 34 victorious Republicans received fewer votes in 1946 than when they were defeated in 1944. In other words, these Republicans did not gain votes. The Democrats simply lost more votes than their Republican opponents. The so-called "sweep" for the Republicans came from the apathy of voters who stayed at home. Rather than an affirmative vote for reaction the vote was a negative one expressing in a way the dissatisfaction of voters with the weakness of the Democratic Administration and the failure of the 79th Congress to satisfy the vital needs of the people.

The Republicans had played chiefly on the "weariness" with Democratic rule and desire for a change. They naturally concealed the fact that they had themselves controlled Congress in alliance with southern Democrats and were thus responsible for most of the legislative failures which had brought high prices and other conditions resented by the people.

The reactionary United States News (Nov. 15, 1946), in its election report, declared that "Communism was a new issue that helped to divide the old groups from which the Democrats used to draw votes. The effort to tie the Democratic leadership to Communism created enough uncertainty to shake loose votes for the Republicans, especially in Catholic areas."

The more progressive railroad labor attitude toward the election was summarized in an editorial in the Railroad Trainman, (Dec., 1946):

Whatever else may be said about the election, one thing is clear—it was *not* a mandate from the people to carry out anti-labor legislation. In fact, it was not a mandate at all, for no one knew during the campaign what the

Republican policies were. . . . The people simply voiced their resentment of the policies which the Democratic Administration was following . . . . The Republicans should learn a lesson from the Democrats' defeat. Labor-baiting is not the road to political success.

The general position of liberals was expressed by Henry Wallace in a leading editorial, when he took the editorship of the New Republic with its December 16, 1946, issue: "I find no lasting defeat in the recent setbacks to the Democratic Party, but a challenge to make a new start. The American people have rejected, as they will always reject, a Democratic Party that is not militantly progressive. Americans have called for a new leadership. They will not find it in the present Republican hierarchy."

Although Wallace believes that "the primary effort of progressives may be to rebuild the Democratic Party as a liberal party," he is not so sure it can be done, for he adds: "If the Democratic Party is incapable of change, we shall strike out along other lines."

Director Kroll of CIO-PAC declared: "Despite temporary setbacks which have been suffered, the election campaign showed that CIO-PAC and the other groups with which it works can be and will become the decisive political force in our nation."

The AFL leadership, which had followed its usual "non-partisan political policy" in the election, and had called on its locals to elect "the friends of labor," was alarmed at the danger of anti-labor legislation from the new Congress. However, the AFL leaders did not make public the list of candidates they supported. In some cases they backed candidates simply because the CIO opposed them or opposed those who had a CIO endorsement. The New York State Federation took no position on Dewey or Mead, but the majority of top state leaders supported the Republican ticket. In California the state federation supported reactionary Republican candidate Warren for re-election as governor.

The week after the election, AFL Pres. Green told the Sheet Metal Workers' Convention that the vote had "strengthened reactionaries in both parties." But he voiced the hope that the leaders of the GOP "will use good judgment and restrain those who want to go to extremes in enactment of anti-labor legislation."

The National Board of the Communist Party of the United States declared that the GOP victory "spelled a new reactionary attack upon

the people at home as well as weakening of peaceful, cooperative relations with the other powers in the United Nations."

The statement concluded: "Unity of action is the key to halting the reactionary drive in the United States.

"It was not inevitable that the GOP should have won this victory, nor that it shall win any new ones in the coming battles for democracy and peace. The forces and the program exist now which, if united and applied, can restore the political life of America to the Roosevelt path."

The total vote for Benjamin J. Davis, Jr., Communist candidate for state Attorney-General in New York State, was 95,787. Robert Thompson, running for state Comptroller, polled 85,098.

## PROGRESSIVE CITIZENS OF AMERICA

Following the election, the various progressive groups which had cooperated with labor in the national election campaign, came together in New York City on December 28-29. Representing about 100,000 persons in 21 states, some 300 delegates effected a merger of National Citizens PAC, the ICC of the Arts, Sciences and Professions, and eight smaller groups.. Co-chairmen elected to head the organization were Dr. Frank Kingdon and Jo Davidson. Herman Shumlin was named secretary and Michael Nisselson, treasurer. Thirty vice-chairmen were elected, with the board of directors having a membership of 200.

The planks in the platform of the organization were similar to those in the statement of the previous conference in Chicago in September. In addition to these the PCA stressed the following points:

In the field of business, it advocated "a system of American enterprise free from the restrictions of monopoly control and free to provide a higher standard of living for all people. We call for the reinstatement of a tax on excess and undistributed corporate profits."

Referring to education and culture, it urged federal aid to education "by passage of a bill embodying the principles of the Murray-Morse-Pepper Education Development Act; creation of a Federal Department of Education of Cabinet rank; equalization of educational opportunity within the states; equal and adequate facilities in urban and rural areas; increased public assistance to students through grants-in-aid and other services. The abolition of unequal and segregated facilities for Negroes and any individuals or groups deprived of the right to education."

Concerning civil and political rights, it declared for the strengthening of the Federal Civil Rights Act to implement the 14th and 15th amendments; a federal anti-lynching bill; and elimination of the so-called Committee on Un-American Activities. "We favor abolition of the poll-tax to eliminate undemocratic restriction of the suffrage. We favor the extension of the suffrage by granting the 18-year-old vote."

Discussing international relations it called for the retention and extension of reciprocal trade agreements, the lowering of tariffs, "loans to devastated nations and the creation of an international relief organization on a humane basis."

Finally, it called for "a ban upon the manufacture of the atomic bomb and other weapons of mass destruction, and the elimination of existing stockpiles of atomic bombs."

## VIII. FARMERS AND FARM WORKERS

During the war years (1942-1945) farmers "increased agricultural production by more than 30%, the population of the United States has increased about 8%, and the per capita consumption of foods about 15%. Thus, the domestic market is nearly 25% larger" than before the war, the U. S. Bureau of Agricultural Economics reported at the end of 1946. (Agricultural Situation, Nov., 1946.)

Volume of crop production in 1946 was about 2% to 3% above the previous peak of 1942, while livestock production was only slightly below the 1943 wartime record. "Peacetime outlets for this greatly expanded production capacity will become of more and more concern to farmers in the years ahead," the bureau pointed out.

In the face of the great need for food both at home and abroad, the Department of Agriculture set the immediate goal for a high level of production in 1947 but at the same time suggested "contraction of production" in some commodities. Wheat acreage at the end of 1946 was considered "larger than desirable . . . after the emergency period of high demand for wheat is passed."

Department of Agriculture spokesmen were thus returning to a long-range policy of restricted output and scarcity at a time when millions in the world were close to starvation. The United States and Canada were among the few countries at the end of 1946 in which per capita food consumption was higher than the prewar average, with a surplus to spare for world needs.

### FARM INCOME

Prices received for many crop and livestock items in 1945 and 1946 were high enough to offset a slight drop in the physical volume of production. The general index of prices received by farmers in 1945 was about 103% above the prewar 1935-39 average. In 1946, prices received averaged about 10% higher than in 1945. By the end of 1946, however, farm prices had started slipping. Prices of wheat in certain areas were below parity, and cotton prices had already shown a sharp break. The

Department of Agriculture warned that farm prices must "adjust to the long-run situation."

Farm income in both 1945 and 1946 totaled more than double the amount reported in the prewar year 1940. Gross cash receipts from farm marketings amounted to \$20.8 billion in 1945 and rose by another 15% to reach a new peak of \$24 billion in 1946.

Since the volume of farm marketings in 1946 remained at about the same level as in 1945, the increase in cash receipts was largely the result of higher prices.

Production expenses rose by about 5% in 1945 and by another 10% in 1946. After meeting these increased expenses, farmers had net income of \$13.2 billion in 1945 and \$13.3 billion in 1946. Net income in 1946 was higher than in any previous year and represented an increase of nearly 180% above the prewar year 1940.

At the end of 1946 it was estimated that the farmer was getting a little over 50¢ of the consumer's food dollar as compared with 41¢ in the prewar period, 1938-1940. The farmer's share was reported at a peak of 55¢ in late 1945 and early 1946. But it was undoubtedly less than these figures indicate, as they do not include the effect of the "black market."

"When the consumer spends a dollar for food, the farmer usually gets less than half and the remainder is absorbed by the expenses of operation and profits of several different kinds of marketing agencies." This is the usual peacetime situation as described by the U. S. Bureau of Agricultural Economics. (Marketing & Transportation Situation, Nov., 1946.)

**Distribution of Income and Savings:** Behind the high income total reported for agriculture as a whole are wide differences between well-to-do farmers operating large farms and the low-income groups made up mostly of those on small farms.

"A relatively small percentage of all farmers own a large percentage of the liquid assets owned by farmers," the U. S. Bureau of Agricultural Economics reported on the basis of a nation-wide survey summarized in the Federal Reserve Bulletin (Sept., 1946). The bulk of U. S. savings bonds "now owned is concentrated in the hands of a relatively small proportion of the farm population," 10% of them holding about three-fourths of the bonds. About 50% of the farmers reported they owned no bonds. Similar concentration was shown in the distribution of bank deposits, with 10% of the farm operators holding 70% of



all demand deposits owned by farmers. About half of all farm operators had no bank deposits.

"The basic reason for the negligible bond holdings of many farmers is the lack of sufficient income to cover adequately farm and family expenditures and still to have much left for investments," the Bureau concluded. Data shown in this survey bear out earlier (1942) studies by the Department of Agriculture showing that 30% of farm operator families receive two-thirds (65.4%) of the farm income. (Bureau of Human Nutrition and Home Economics, Family Spending and Saving in Wartime.)

## FARM PROPERTY AND MORTGAGES

Farm land prices for the nation as a whole rose steadily during 1945 and 1946. By the end of 1946, the index of average market value per acre of farm land stood at 77% above the 1935-1939 average.

Despite this boom in the price of farm real estate, the Bureau of Agricultural Economics reports, "The actual physical condition of the nation's agricultural plant has not improved and probably has deteriorated."

The boom in land prices resulted in larger down-payments and heavier debts for those who bought farms or livestock and equipment. The bureau pointed out that it has "increased the financial obstacles to farming and the risks of ownership, particularly for returning veterans and farm hands." (Federal Reserve Bulletin, Sept., 1946.) To those saddled with large mortgage debts, the later decline in farm incomes may bring financial difficulties.

"Inflationary levels" in land prices in 1946 were described by the Department of Agriculture as very similar to the period after World War I when land prices advanced by 70% from the prewar average to the 1920 peak. The department warned that in most areas the net income of farmers had probably reached a peak by the end of 1946 and reminded prospective buyers of the collapse in land prices that followed World War I.

While farm income and real estate prices advanced, farmers were able to reduce their debts. In the years between 1940 and 1945, inclusive, farm mortgage debt dropped by 23% and at the end of 1945 it was less than half of the peak figure reached in 1923.

During 1946, however, this trend was reversed and farm mortgage

debt began to increase for the first time in 23 years. By July 1, 1946, farm mortgage loans outstanding totaled \$5,160,000,000, a rise of \$80,000,000 in a half year. Lower debt repayments and an increased volume of new debt were reported at the end of 1946 and it was expected that the rise in debt would continue.

From mid-1944 to mid-1946 the Farm Security Administration expanded its loans to a new high—nearly five times the amount it held early in 1940. These new FSA loans revealed the increasing needs of many small farmers, since this agency lends to those with low incomes who have difficulty in obtaining credit from other sources.

## LARGE FARMS AND SMALL

One-tenth of the six million farms in the United States sell more than half of all the farm production sold or traded in this country; half of the farms sell less than 10%.

This marked concentration of farm production in a comparatively small number of farms was revealed in a study by Farm Research, Inc., on the basis of the U. S. Census of 1940. (Facts for Farmers, Aug., 1946.) The data showed further that the top 1% of all farms in this country accounted for 20% of the total value of farm products sold and traded in that year. The top 5% accounted for 40%.

The 1945 Census of Agriculture showed more large farms and fewer small farms than in 1940. There were 110,000 farms with 1,000 or more acres, an increase of 9,000 in the five years. The number with less than 180 acres showed a drop of about 250,000, to 4,615,000.

## PRODUCTIVITY AND MECHANIZATION

Output per worker on the farms in 1945 was about 35% above the prewar level of 1935-1939. While gross farm production was nearly 25% above the prewar level, farm employment had dropped by 10%. Production per acre went up by 22%. Farm workers, as the term is used here, include not only wage labor but working farmers and such members of their families as are part of the farm labor force.

In reporting these figures, the U. S. Bureau of Agricultural Economics says: "Acceleration during the war of the long-time downward trend in farm employment, coupled with marked wartime increases in farm production, resulted in record levels of production per farm worker. . . .

Increases in production per worker in agriculture matched those of industrial workers during the war." (*Changes in Farming in War and Peace*, June, 1946, pp. 66 and 69.)

Similar increases in output per farm worker are shown by the U. S. Bureau of Labor Statistics in its report on *Productivity in Agriculture: 1942-1945*. In the decade from 1934 through 1945, farm production rose by more than 44%, the bureau reported, while farm employment fell by more than 9%. Output per farm worker in this decade rose by approximately 60%.

**Mechanization Increases:** The rise in output per man on farms reflects in large measure the increased use of farm machinery. During the war years, the mechanization of agriculture continued at a rapid rate. The 1945 Census of Agriculture shows that by January 1, 1945, there were already 2,425,000 tractors in use on farms. This represented an increase of 55% between 1940 and 1945.

As the number of tractors increased, the number of horses and mules on farms declined sharply. The Bureau of Agricultural Economics reported that the number of horses and mules on farms in 1945 were less than half the number in 1920. As a result of this drop, 55 million acres or 15% of the available cropland, which had gone into feed for horses and mules in 1920, became available for commercial production of food for people. (*Changes in Farming*, pp. 4 and 70.)

"Wheat production is almost completely mechanized," this report pointed out. By 1945 the number of combines on farms had increased to 329,600, or about three times the number in 1940. The use of combines has drastically cut the average time required to complete both pre-harvest and harvest work in the small grains areas. It took an average of 12.7 hours per acre to complete this work in 1915. By 1945 on large-scale farms using 20-foot tractor combines and other modern machinery, the time was reduced to 1.5 hours per acre or one-eighth of the pre-World War I average.

Mechanization has also increased in corn picking and planting and on dairy farms, although not so rapidly as in wheat areas. The number of mechanical corn pickers on farms rose to 168,100 by early 1945—an increase of 29% in three years. "With a tractor and power equipment three acres of land can be prepared and planted to corn in the time that one acre is planted with work animals," the BAE reports. (*ibid.* p. 11.) The number of corn planters also increased, by over 50,000, in three war years so that by 1945 there were 255,600 on farms in this country.

Dairy farmers were using 379,300 milking machines in 1945, approximately 50% more than at the beginning of 1942. These machines cut by more than half the man-hours needed for this work. A mechanical cotton picker now on the market picks in a day about as much cotton as could be harvested by 40 to 50 hand pickers. When in general use it will displace many share-croppers and other workers in cotton areas. This machine cost about \$5,000 in 1946 but its use is expected to cut the cost of growing cotton by about \$25 a bale. It will be adopted, gradually at first, and then more rapidly, the Department of Agriculture predicts.

Several farm equipment companies were already in 1946 producing pick-up hay balers that can be operated by one man. Pulled by a tractor, this one-man automatic hay baler travels along the windrows of hay, gathers it up, presses it into bales and discharges the completed bale onto a truck or wagon. International Harvester is producing such a hay baler which, it claims, can handle from four to six bales a minute.

**High Price of Farm Machinery:** While the number of farm machines seems large by comparison with early years, the total is still small when compared with the total of about six million farms in the United States. Nearly two-thirds of all farms are still without a tractor. Many farms are too small to allow efficient use of machines but there are still great numbers of farmers who would buy tractors if they could afford the prices charged in these postwar years by farm implement companies.

By the end of 1946, the price of farm machinery had risen by 14% above the prewar level and was still rising.

Farm implement companies have tried to persuade farmers that "high wages" in their plants are responsible for the high prices of machines that farmers need. The answer was given by the U. S. Federal Trade Commission in its Report on the Agricultural Implement and Machinery Industry, showing how small a part of the price paid by the farmer represents the direct labor cost in the factory.

A three-bottom tractor plow, for example, for which farmers paid \$153.50 had a manufacturing labor cost of only \$11.17. For a cream separator, which had about the highest manufacturing labor cost of any farm implement, the machine cost \$100.84 but only \$14.66 went to the wage-earners who made it. The manufacturer's profit on the cream separator was 19% and the retailer's margin was more than 28% of the selling price. (FTC Report, pp. 768 and 773.)

**Increasing Mechanization Expected:** Further mechanization, as de-

scribed above, will "tend to push the output of farm products for human use higher and higher," the Department of Agriculture predicts. (*Changes in Farming*, p. 45.)

By the end of 1946, agricultural economists were already talking as in depression years, about "over-production," a necessary reduction in volume of farm output, and a planned "shift of workers from farming to other occupations." But at the same time they called attention to the growth in U. S. population which showed an increase of 10 million between 1939 and 1946—which should mean much greater consumption of food. The National Association of Manufacturers and the Chamber of Commerce have proposed that from 1,500,000 to 4,000,000 farm families be "eliminated" from farm production. They do not state how it could be done.

The level of domestic consumption depends not only on the size of the population but on the "purchasing power that is available for consumers to buy farm products." (*ibid.* p. 49.) But consumer purchasing power has been declining and the outlook for increased domestic consumption of farm products in these postwar years is not considered promising.

This accelerating trend toward mechanization of agriculture foreshadows a great increase in the numbers of workers wholly dependent upon non-agricultural employment.

## ELECTRICITY ON FARMS

By the end of 1946, the Rural Electrification Administration reported that 3,106,775 farms, or over 52% of all, had central electric service. More than ten times as many farms were thus equipped with central station electric service as in 1925. In addition, some 200,000 farms had their own lighting plants. Despite this gain, however, nearly half of all the six million farms still had no electric light or power at the end of 1946.

During the fiscal year ended June 30, 1946, the REA connected 230,000 new rural consumers with electric service. Its three-year program calls for the extension of service to 1,329,000 farms and rural homes by 1949. Shortage of supplies and other difficulties caused a delay in actual construction of these new facilities, but it was announced that 180,000 miles of power distribution lines were being added in 1946-47 to the rural systems.

The REA is a government lending agency which provides long-term loans to rural power cooperatives and other borrowers for extension of local power. By the end of 1946 there were nearly 900 REA electric cooperatives with nearly 1,500,000 members. These REA co-ops are organized to purchase electric power from private power companies and from federal hydro-electric projects, where available, at wholesale rates and to "feed" it through co-op distributing lines to consumer members of the various REA-financed projects. REA received from Congress authorization to lend \$550 million for such projects in the two postwar years, 1946 and 1947. It aims to provide service to all farms in an area rather than simply to those on which the service would be profitable.

REA Director Claude Wickard charged in public statements during 1946 that power companies were blocking rural electrification and trying to "stem expansion of REA-financed electric cooperatives." He said the private companies were seeking to serve only the most profitable rural areas and leaving the unprofitable farm sections for the REA. As a financial writer pointed out in the *New York Times* (Sept. 8, 1946) private power companies have now "begun to exploit the lucrative market" in rural electrification programs.

## FARM WAGE WORKERS

Hired farm workers numbered 2,786,000 in August, 1946, at the seasonal peak of the year. This compared with a prewar (1935-1939) average of 2,983,000 for the peak month. Hired labor represented one-quarter of all farm employment which totaled 11,044,000 in August, 1946. The other 8,258,000 persons included the 6,100,000 farm operators and the more than 2,000,000 members of their families who work on farms.

For a day's labor without board, agricultural workers were averaging \$4.84 in July, 1946. With board, the average per day was \$4.25. Hourly earnings averaged only 46¢ in mid-1946, the Department of Agriculture reported in a special survey of farm wages. Hours of work were still long—9.8 hours a day. Employment was so irregular that farm workers' average earnings amounted to only \$17.50 a week in a month when farm work was near its seasonal peak.

Half of all hired farm workers in the United States are employed in the South where hourly wages averaged only 36¢ and daily earnings averaged \$3.30 in mid-1946. For a week's labor, field workers in the

South were getting an average of \$10.00. (U. S. Bureau of Agricultural Economics, Farm Labor, Sept., 1946.)

**Not Protected by Legislation:** Agricultural laborers are specifically excluded from the protection of the National Labor Relations Act, the Fair Labor Standards Act, and the Social Security Act. But the definition of an agricultural laborer, as excluded under these laws, has been in dispute for many years. Under procedure established by the National Labor Relations Board and upheld by the U. S. Supreme Court, agricultural workers employed in packing, processing, and storing have been considered within the jurisdiction of the NLRA.

A drive to exclude these processing workers was initiated in Congress in 1946 in the form of a rider to a bill providing funds for the NLRB. Rep. Alfred J. Elliott (D., Calif.), representing the citrus fruit industry, led the drive. CIO unions, led by the Food, Tobacco, Agricultural & Allied Workers, succeeded in winning a compromise so that the rider as finally passed carried the Fair Labor Standards Act definition of agricultural labor. Under this compromise a smaller number of food processing workers are excluded from NLRB jurisdiction and citrus workers are not excluded.

**Farm Labor Strikes:** Against low wages and intolerable, unsanitary conditions, 250 farmhands and cannery workers at the 3,000-acre Starkey farms, Morrisville, Pa., went on strike May 26, 1946. Children had been picking vegetables for 15¢ to 25¢ an hour. Some 50 Negro families were crowded into one old barn, with only two outhouses and one water pump.

Led by the Meat, Cannery & Farm Workers (AFL), Local 56, the strikers were threatened by Ku Klux Klan elements who burned fiery crosses and threw bricks wrapped in notes on company wrapping paper. Strikebreakers armed with clubs and knives were brought from Philadelphia and also across state lines from nearby Trenton, N. J., in violation of federal law. Despite such terrorism, strikers stayed out six weeks but were finally forced to return to work without gains.

At Camden, N. J. canning plants of the Campbell Soup Co., some 8,000 workers led by the Food, Tobacco, Agricultural Workers (CIO) were set to strike in August, 1946. The Chicago plant was to follow on strike a week later. When the union explained its case to tomato growers in the region, the farmers responded by electing a committee to cooperate with the union. FTA obtained affidavits proving that

the company had entered into strikebreaking plans with the National Farm Labor Union (AFL). FTA, however, won its main demands.

Under the settlement, reached at the strike deadline, workers gained substantial wage increases. Cannery workers, not protected under the Fair Labor Standards Act against long hours in rush season, gained the 40-hour week with time-and-a-half for overtime all through the year.

**Union Organization:** The Food, Tobacco, Agricultural & Allied Workers (CIO) had about 55,000 members in 1946. It has registered important gains among cannery workers and has signed contracts with Campbell Soup Co. and other large canning companies.

At its 6th convention, the FTA-CIO moved to set up a union department to deal with problems of agricultural workers. Main emphasis will be put on legislative and public relations campaigns to end the discriminations against them, the union pointing out that all workers' standards were threatened by treating agricultural workers as "Grade B citizens."

The National Farm Labor Union was chartered as an international union by the AFL in 1946. It is the old Southern Tenant Farmers Union, headed by H. L. Mitchell, who was expelled from the CIO for disruption in 1939.

## TOWARD FARMER-LABOR UNITY

During the long 1946 strike of industrial workers in the farm equipment plants of J. I. Case Co. and Allis-Chalmers Mfg. Co., the companies tried to arouse anti-labor feeling among farmers against the wage-earners who demanded a living wage. Automobile Workers (CIO) and Farm Equipment Workers (CIO), with the cooperation of National Farmers Union, answered this propaganda with an effective campaign, explaining to farmers the strikers' case and thus helping to build farm-labor unity.

Representatives of the regional UAW and of two UAW locals involved in the strike in Wisconsin toured farm areas of Wisconsin, Illinois, Minnesota, North and South Dakota. They addressed farm meetings organized for that purpose by the NFU. Union speakers pointed out how small a part of the price of various farm implements is paid out in direct labor costs, using a printed leaflet on "Farm Machinery Monopoly Firms" issued by the Farm Equipment Workers.

At the National Farmers Union convention in Topeka, Kansas, March



'5-8, 1946, the 400 delegates collected \$2,000 in small bills for the striking workers at International Harvester and General Motors plants. Others pledged to sell steers and carloads of wheat and donate the proceeds. CIO speakers outlined the strikers' case. The NFU then ran a series of advertisements championing labor's cause in more than a dozen mid-Western daily papers.

Farm Equipment Workers at their biennial convention in August, 1946, reported that the Farmers Union had "cooperated 100%, both morally and financially," during the FE wage struggles. In a resolution on farmer-labor unity, the union pledged full support to the NFU. The FE's new farm relations department, established in 1946 with a livestock farmer, Homer Ayres, as director, was instructed to develop a farm relations program on a broad national scale.

A regular column by Homer Ayres called "The Farmer's Angle" is released to Federated Press, labor news service, and thus made available to FP's 250 member papers.

In New York state in the winter of 1946, the Farmers Union of Schoharie County supported the strike of electrical workers at General Electric Co. plants with gifts of potatoes, cows and other farm produce. Farmers in other areas also donated farm produce to Electric Workers strike relief committees during the 1946 struggle.

Packinghouse Workers (CIO), district 3 (Iowa and Nebraska) held a two-day Farmer-Labor Institute at Des Moines, Iowa, in May, 1946, with the cooperation of the Iowa Farmers Union. As a result of this conference, it was planned to set up farmer-labor and community councils in Iowa, Nebraska and Colorado. At its 30th convention in September, 1946, the Iowa Farmers Union voted to set up labor relations committees on a state, county and local basis.

The CIO, at its national convention in 1946, passed a resolution calling for a campaign to establish friendly relations with farmers and urged joint farmer-labor committees.

**Farmers' Stake in Wage Increases:** As part of its brief for wage increases in the months after V-J Day, the national CIO pointed out the farmers' stake in substantial wage-salary increases for industrial workers who buy the farmers' product: "There can be no farm prosperity when city dwellers are underconsuming . . . because farm income is directly related to how much purchasing power is in the hands of urban wage-earners and salaried employees."

"Better wages for workers mean better incomes for farmers" was the

slogan of the Minnesota State Federation of Labor (AFL) during 1944-1945 in a campaign to answer anti-labor attacks. Carrying regular advertisements in rural newspapers, the federation used U. S. Department of Agriculture figures on consumption of food. These showed that in 1943 when wages were high, per capita consumption of milk was 26% more than in the depression year 1933 when wages were low. Per capita consumption of beef was 43% more in 1942 than in 1932. These figures were translated into the number of quarts of milk and herds of cattle consumed by organized workers in Minnesota. "Dollars in the farmer's pocket," it was pointed out.

Many farmers also recognize the truth of this argument. The Oklahoma Union Farmer (NFU) in July, 1946, said: "It's clear that we have had higher farm prices when—There is full employment. And wages are high."

Farmers near Andalusia, Alabama, invited striking workers of three factories, organized in the Amalgamated Clothing Workers, to be their guests at an all-day barbecue and singing, May 18, 1946. About 60% of the mill workers in that town are from farm families and drive in to work from the farms. In their demonstration of solidarity the farmers turned out by the hundred with their wives and children.

**United Action in Political Campaigns:** Farmers joined with representatives of AFL, CIO and railroad unions in a number of areas during the campaign in the autumn of 1946 in efforts to defeat reactionary congressmen and elect progressives. An example of such action was the joint meeting in Mitchell, South Dakota, in September, 1946, when 244 farmer and labor delegates, elected by their organizations, unanimously adopted a resolution condemning the record of Francis Case (R., S.D.) sponsor of the Case anti-labor bill. They also condemned the voting record of Karl Mundt (R., S.D.) and endorsed two progressive Democratic candidates.

## FARM ORGANIZATIONS

**American Farm Bureau Federation:** By the end of 1946, the Farm Bureau reported it had 943,739 families enrolled as members—a substantial increase above the half million members reported in prewar years. During 1945-1946 the organization was engaged in a special drive for a million members. Membership is not confined to farm

families but includes local bankers, businessmen and others in rural communities.

At its 27th annual convention in December, 1945, the organization repeated its support of the United Nations but it has not given any active support to the UN Food and Agricultural Organization. It reaffirmed its "opposition to subsidies in lieu of fair prices in the market place," and opposed the Office of Price Administration which was battling for real price control. It opposed any expansion of government lending agencies and any increased dependence on government credit. It supported the reactionary tax program of the National Association of Manufacturers and has continued to work closely with the NAM.

In relation to labor problems the Farm Bureau warned against "indiscriminate" wage increases. It opposed the full employment bill. It approved however, the extension of federal old-age survivors insurance under the Social Security Act to include "regularly employed full-time farm labor and employees of non-profit agricultural organizations." It voted not to oppose extension of the program "to occasional, part-time farm labor when a practical, workable method for including such labor under this system is presented." But it opposed government health insurance—preferring programs under "private initiative." It also opposed the use of federal funds for any public housing programs.

Address of the American Farm Bureau Federation is 58 East Washington St., Chicago 2, Ill.

**National Grange:** There were 749,267 dues-paying members of the National Grange in mid-1946. The actual number of members was approximately 800,000, National Master A. S. Goss estimated, since a member no longer pays dues after a certain number of years' membership.

At its annual session in 1945, the Grange opposed any general continuation of subsidies and called for reduction in federal expenditures and for revision of the farm parity price formula to include labor costs. It opposed the Office of Price Administration's policy of price control. It opposed an increase in minimum wages for labor and urged passage of the anti-labor Hobbs bill. Address of the National Grange is 744 Jackson Place, Washington 6, D.C.

**National Farmers Union:** The full name of this organization is the Farmers' Educational & Cooperative Union of America, commonly known as the National Farmers Union. It reported 145,000 dues-paying heads of families at the end of 1946, with the explanation that all mem-

bers of a family over 16 years of age are covered by the father's dues. It publishes a monthly journal, the National Union Farmer.

Based on cooperatives selling farmers' products and buying farm supplies, the National Farmers Union operates one of the largest grain elevators in this country. NFU cooperatives function also among poultry farmers supplying eastern cities.

Stating its basic objective as "security for the farm family on the land in an economic abundance brought about by free exchange of goods and services," the NFU at its 40th annual convention in March, 1946, adopted a progressive program. It endorsed the United Nations Food & Agricultural Organization and resolved "to help make it ever more effective." The program called for free international trade, condemned cartels and all barriers that restrict trade, and endorsed continuation of United Nations Relief and Rehabilitation Administration. In the interests of peace, the convention called upon the U.S. government to stop manufacture of atomic bombs and to offer to dismantle bombs already made.

On the home front, the NFU program proposed county agricultural committees elected by farmers in each area to work out farm plans; also state committees; and a national farm price committee to negotiate with the federal government on the support prices to be guaranteed. It upheld the OPA's efforts at real price control. The aim of farm plans thus worked out "shall be to place all farms ultimately on an economic-size, family-farm basis." To accomplish this, the program called for expansion of the farm ownership, farm credit, and rural rehabilitation loan programs of the Department of Agriculture. It urged increased technical assistance especially for middle-and low-income farmers instead of limiting help largely to upper-income farmers, as Extension Services and Land-Grant Colleges now do. It urged use of federal funds to improve housing in rural areas, to provide all-weather highways, and to build hospitals.

In relation to labor, the NFU program called for federal legislation to establish a minimum wage for farm labor no lower than that set for labor in other industries. It endorsed collective bargaining for farm labor. It called for extension of the Social Security Act to cover all farm people, including farm labor.

During 1946 the NFU took the lead in working for closer cooperation between farmers and organized labor, as shown above. Address of the National Farmers Union is 3501 E. 46 Avenue, Denver 16, Colo.

## UNRRA AND WORLD FOOD NEEDS

Between its establishment in November, 1943, and its liquidation early in 1947, the United Nations Relief & Rehabilitation Administration spent \$3.9 billion for emergency relief. Nearly three-quarters of this total came from the United States as a surplus-producing country well able to share its abundance. But American sales to UNRRA represented only a tiny proportion of this nation's food output.

UNRRA officials estimated that its supplies saved the lives of at least 5 million in Greece, 5 million in Yugoslavia, 3 million in Czechoslovakia, 2 million in Poland, and uncounted millions in China. It also supplied food and some other aid to Italy, Austria, Albania and two autonomous Soviet republics of Byelorussia and the Ukraine which were hardest hit during the war. It carried out limited programs in several other countries. Refugees and displaced persons were cared for in camps, supervised by a staff of 5,000 men and women.

As a result of pressure from the United States and Great Britain, UNRRA was forced early in 1947 to close its doors in Europe. The Soviet Union had urged that UNRRA be continued and charged that the needs of hungry people were being used to stifle democratic movements. The UN Food & Agricultural Organization (FAO) has had no funds for relief and no means of getting any.

The U.S. State Department's plan for handling relief after UNRRA's expiration was to supply monetary aid for food to individual nations without an international organization. But it became clear at the end of 1946 that the department intended to use such loans as political pressure and to cut off American financial help to Eastern European countries. In October, 1946, the United States cancelled a credit of \$40 million to Czechoslovakia on political grounds. A \$50 million loan had been previously granted but Czechoslovakia got only a fifth of that amount.

**World Food Crisis:** During 1946 people in the United States were getting a per capita average of over 3,300 calories of food a day, about 15% more than the 1935-39 average. In many European countries, on the other hand, people were getting far less than their prewar average.

At times during 1946, the daily calory allotment in Austria, Yugoslavia, Greece, Poland and parts of Italy was cut to less than 900 calories a day. This is literally a diet of slow death.

But the world food crisis is not just an emergency postwar situation,

in the opinion of Sir John Boyd Orr, director of the United Nations Food & Agricultural Organization. He reported recently that the crisis will continue "for the next four or five years," even with good growing weather and rapid recovery from the war, and he called for "a permanent world food policy."

Even before the war, half of the world's two billion people were seriously undernourished, the FAO reported in August, 1946; "It is evident that about one-half of the world's population was subsisting before the war at a level of food consumption which was not high enough to maintain normal health, allow for normal growth of children, or furnish enough energy for normal work." It should be the aim of the United Nations, the FAO said, to raise subnormal diets to a minimum of 2,600 calories a day. At the end of 1946, the FAO reported that "A major food crisis still confronts the world."

As a result of the war, the world's harvests were producing during 1945-1946 one-eighth less food per person than in an average prewar year. In Europe food production was at least 25% below normal. In the Ukraine, the Soviet Union's bread-basket, hardest hit of all war areas, the harvest in 1945-1946 produced not more than half the normal crop.

But in the United States in 1946, as Director John R. Steelman of the Office of War Mobilization and Reconversion reported (Oct. 1, 1946), farmers were "harvesting the biggest crop in the history of our nation. The estimated volume is 2% above the previous peak attained in 1942."

Out of its abundant grain supply in 1945, the United States sent only 4% in relief shipments, including sales to UNRRA and supplies for Japan, Germany and other areas. Farm Research, in its pamphlet *Food Now Or Coffins Later* (1946), pointed out that "even our much-discussed wheat shipments amounted to less than 17% of our last year's wheat production, and our corn shipments amounted to only 0.6% of our 1945 corn production."

Despite abundance at home and the obvious need for more food in other countries, the Department of Agriculture in the *National Food Situation* (Sept., 1946) predicted for 1947: "Food production next year may not be quite as high as in 1946, but exports probably will be much smaller." The Office of War Mobilization however, in its October 1 report, called for maintenance of food production on a high level to help meet the world demand for food and at the same time benefit farmers and consumers in this country.

## IX. LABOR ABROAD

### WORLD FEDERATION OF TRADE UNIONS

The culmination of the work of the World Trade Union Conference held in London in February, 1945, (described in Labor Fact Book 7) came in another meeting held in Paris, September 25-October 8, 1945.

The 185 delegates, representing 66,700,000 workers organized in 65 national and 86 international organizations, and coming from 56 countries, established the World Federation of Trade Unions. The CIO was represented by 20 delegates.

The preamble to its constitution declared that the WFTU was established to organize and unite within its ranks the trade unions of the whole world, "irrespective of considerations of race, nationality, religion, or political opinion." Other aims were:

To assist, wherever necessary, the workers in countries socially or industrially less developed, in setting up their trade unions.

To carry on the struggle for the extermination of all fascist forms of government and every manifestation of fascism, under whatever form it operates and by whatever name it may be known.

To combat war and the causes of war, and work for a stable and enduring peace.

To represent the interest of world labor in all international agencies whose responsibility will be to solve the problems of world organization.

**Constitution and Organization:** The constitution of the WFTU provided for a World Trade Union Congress meeting every two years, a general council meeting annually, an executive committee, an executive bureau and a general secretary. The delegated membership to the biennial congress is so scaled that the countries of larger memberships have proportionately less representation than those with smaller memberships. A similar plan is followed in the make-up of the general council of 71 members which meets every year.

The executive committee of 26 members is elected by the congress and consists of the general secretary, three members, who serve as assistant secretaries, and 22 members nominated by the affiliated trade

unions according to world-wide geographic distributions. It meets at least twice a year.

The executive bureau of nine officers is the administrative body chosen by the executive committee. The officers originally chosen were Sir Walter Citrine (Gr. Britain), chairman; Louis Saillant (France), general secretary; and the following vice-chairmen: V. V. Kuznetsov (USSR), Sidney Hillman (USA), L. Jouhaux (France), V. Lombardo Toledano (Latin America), H. F. Chu (China), G. Di Vittorio (Italy), and E. Kupers (Holland).

In September, 1946, Arthur Deakin, secretary of the Transport and General Workers' Union of Britain, was elected to replace Sir Walter Citrine who had left the British Trades Union Congress to join the Coal Commission of the Labor Government. After the death of Sidney Hillman in July, 1946, Frank Rosenblum, secretary-treasurer of the Amalgamated Clothing Workers (CIO), was named to the executive bureau. Adolph Germer, former organizer for the Auto Workers (CIO) was later named as one of the three assistant general secretaries, the other two being Fallin (USSR) and Schevenels (Belgium).

**Comparison with IFTU:** The new WFTU entered the world labor struggle with an aggregate membership three times that of the former International Federation of Trade Unions with which the AFL had been affiliated. Because of AFL influence, the IFTU had refused to permit the affiliation of either the CIO or the trade unions of the USSR.

The importance of non-European trade unions in the new federation was shown in the fact that over and above the IFTU membership in given areas which it took over when the IFTU expired, December, 1945, it also had initially seven new affiliates from Africa, 10 from Latin America, four from the Near East, one from the Far East, in addition to 10 from Europe and two from Australasia.

This extension of 34 national labor centers beyond the previous IFTU representation indicates that two-thirds of the expansion of the WFTU is in Africa, Latin America, the Near East and the Far East, regions which had never been extensively represented in the IFTU.

**Relation to United Nations:** The Paris Congress which organized the WFTU directed the executive committee to secure for the WFTU opportunity to "fully and effectively express its views on the peace treaties now under discussion" and to secure representation on "all



other international agencies hereafter established for the purpose of dealing with the problems of peace and reconstruction."

The WFTU originally requested voting participation in the Economic and Social Council of the UN and consultative representation in the General Assembly of the UN. Later, in September, 1946, the WFTU, stating that it then represented 71 million workers in 56 countries, renewed its efforts to obtain formal representation on the Economic and Social Council.

All it requested at that time was the right to make written and verbal statements to the Council and the right to submit items for inclusion in the agenda on matters which were of interest to it. Although it did not gain the full right to make oral statements to the Council it did, however, obtain the right to speak in all commissions of the Council and—with the consent of a standing committee of the Council—to speak in the Council itself. It also won the right to submit questions directly to the Council for inclusion in the agenda. The same rights, however, were extended to the AFL, a purely national organization, which had refused to join the WFTU, to the International Chamber of Commerce and to the International Cooperative Alliance.

**CIO Report:** In his report to the 1946 convention of the CIO, Pres. Philip Murray said that, despite the youth of the WFTU and the fact that it was organized amid the difficulties of postwar Europe, the influence of the WFTU "has already begun to be felt in world developments. In accordance with the Paris Conference decision, a WFTU delegation visited Germany in February, 1946. After thorough investigation of all four zones, it made a complete report on denazification, the revival of free trade unions and the progress of the democratization of German life. . . . The WFTU has also sent committees to Greece, Iran and Poland to assist in the revival and unification of the trade union movements of those countries."

He declared also that the meetings of the executive bureau of the WFTU and its unanimous resolutions "on a wide variety of problems are in sharp contrast with the bickerings and disagreements among diplomats and governments. The WFTU is once again demonstrating the truth of Abraham Lincoln's words:

"'The strongest bond of human sympathy, outside of the family relation, should be one uniting all working people, of all nations, and tongues, and kindreds.'"

The address of WFTU is No. 1, Rue Vernet, Paris 8, France. Further facts on the organization and its significance for American workers are found in You and the WFTU. (CIO Publication, No. 139).

## CANADIAN LABOR PROGRESS

In spite of war-end layoffs trade union membership in Canada stood at 711,000 at the end of 1945, only a little below the 724,000 reported for 1944. The October, 1946, conventions of the two major union federations, particularly the Canadian Congress of Labor, to which CIO unions in Canada are affiliated, reported further substantial gains which should bring the official government count at the end of 1946 to above 800,000. This is more than double the prewar peak of 383,000 reached in 1938.

Both national organizations, the CCL, with 350,000 members, and the Trades and Labor Congress of Canada (AFL), with 330,000, have strengthened their position and now represent about 85% of the total union membership, compared with 75% at the end of 1943. The remaining organized workers of Canada are in the Canadian and Catholic Confederation of Labor (in Quebec), in the railroad brotherhoods, and in a few unaffiliated unions.

**Strikes in 1945-46:** In the 15 months between September, 1945, and November of the following year, 185,672 Canadian workers were involved in 259 strikes in a wide range of industries and in every major industrial area. These struggles concerned two main issues—the defense of union organization and wartime economic gains. The first issue took the form of demands for union security in organized industries and elementary union recognition in newly organized fields; the second involved demands for maintaining or increasing take-home pay, usually coupled with shorter hours.

The first round of strikes, in the fall of 1945, developed around the strike of 10,000 United Automobile Workers at the Ford plant in Windsor, the largest single unit of organized workers in Canada. Although the immediate issue was union security, the real stake was the continued existence of industrial unions in Canada.

Overwhelming labor and public support for the Ford strikers forced the company and the government to give up their plan for smashing the picket lines with provincial police and to compromise the question of union security. They accepted a compulsory checkoff of union dues

from all employees, union or nonunion, but this was coupled with penalties on the union for work stoppages. Use of this particular formula (known as the Rand Formula from the arbitrator who handed down the decision) has been almost entirely confined to the auto industry in the Windsor area. However, this victory at Ford opened the way for most of the major industrial unions to obtain—many of them for the first time—some form of dues checkoff in their 1946 agreements.

Although still far short of establishing union membership as a condition of employment, these checkoff provisions mark a big step forward in the recognition of trade unions as a permanent force in Canadian industry. They have also helped to consolidate union membership.

Wartime wage controls were rigidly maintained in 1946 while substantial tax and price concessions were made to the employers. This situation led to a second round of strikes which began in May.

Of these the first major struggle involved 37,000 lumber workers in British Columbia (International Woodworkers, CCL), 1,000 brass workers in Ontario and 800 foundry workers in British Columbia (Mine, Mill & Smelter Workers, CCL), 4,000 seamen on the Great Lakes and St. Lawrence (Canadian Seamen's Union, TLC), and 6,000 textile workers in Quebec (United Textile Workers, TLC).

These were followed in quick succession in late June and July by strikes of 10,000 rubber workers in Ontario, involving almost the entire rubber industry (United Rubber Workers, CCL); 6,000 in auto and related industries in Ontario, including the Canadian plants of Chrysler (United Auto Workers, CCL); 6,700 in electrical and related industries in Ontario, including the Canadian plants of Westinghouse (United Electrical Workers, CCL); 15,000 steel workers in three basic steel companies of Ontario and Nova Scotia (United Steel Workers, CCL); and 2,000 gold and copper miners in British Columbia (Mine, Mill & Smelter Workers, CCL).

These strikes were followed in October by 10,000 lumber workers in Northern Ontario (Carpenters, TLC); and still later, in December, by 1,000 gold and copper miners in Northern Quebec (Mine, Mill and Smelter Workers, CCL).

**Type of Demands:** In the three major strikes conducted by unions affiliated with the Trades and Labor Congress wage demands, though important, were not at the head of the list. For the seamen the main issue was the eight-hour day; for the textile workers, union recognition;

and for the lumber workers, union recognition and improved camp conditions.

In these strikes the employers deliberately provoked open conflict, attempting to operate with scab labor, invoking police intervention, and using the courts to prosecute union leaders and rank and file members. These tactics failed to break the morale of the workers, and the unions emerged greatly strengthened in membership and with substantial economic and contract gains.

The textile strike, which forced the Dominion Textile Co., Canada's leading textile concern, to sign its first agreements with an international union, is particularly significant. This victory of the French-speaking textile workers of Valleyfield and Montreal against an alliance of monopoly business, a reactionary religious hierarchy, and a government using fascist tactics, opens the way for further organizing campaigns in Quebec. This province has one-third of Canada's industry and industrial workers but, except for the city of Montreal, it has been almost completely closed to international unions.

The CCL strikes were all in industries where unions were at least partially established, and here wage demands took first place. Though formulated differently by the various unions, these demands generally followed the pattern of strikes in the United States in 1946: 25¢ per hour, a 40-hour week, and union security. For the first time an attempt was made to get some coordination in the timing and general conduct of a strike campaign by setting up a national wage coordinating committee of the CCL which included leaders of its major unions.

Labor's insistence that the wage demands could be met without price increases, brought a barrage of employer and government propaganda, to the effect that any wage increases, and certainly any increases of more than 10¢ an hour, would wreck the Canadian price control system. The hollowness of this inflation-bogey campaign became quite clear in June when unified action of all labor on the West Coast forced employers and government to settle the British Columbia lumber workers' strike with a 15¢ per hour wage increase, some reduction in hours, and an irrevocable checkoff. This 15¢ settlement quickly became the basis for most labor agreements on the West Coast.

**Employer Tactics:** In Ontario most employers, already on a holdback strike of their own to force further price and tax concessions, were in no hurry to get into full production. Except for the Steel Company of Canada at Hamilton, which was able to install a substantial number of

scab workers in its plant on the eve of the strike and continued to take strikebreakers in and out with police protection, most strike-bound companies simply closed their plants for three months. They counted on a long struggle, plus undercover maneuvers toward company unionism, to break the morale of the strikers; and on continued shortages of goods to turn public opinion against labor. Delay was aided by time-consuming but futile hearings at Ottawa before a Special Committee of the House of Commons.

By September, however, it was evident that neither the strong-arm methods of the Steel Company of Canada nor the sit-it-out tactics of the other employers had achieved the aim of disrupting and crushing the labor movement. Economic pressure to get into production and government fear that large-scale use of government police or troops would be political suicide, led employers and government to seek a compromise solution. This was found first in the steel industry, the most basic industry involved in the strikes, and the one with least militant union leadership.

**Settlement Terms:** Once an agreement was reached in steel, providing for a 13¢ increase but leaving all other questions to mediation and eventual arbitration, full settlements followed quickly in the remaining disputes. These generally provided for a 13¢ per hour increase (or more where hours were reduced), three or four paid holidays, two weeks' paid vacation after five years of service (Ontario and British Columbia already have legislation requiring one week after one year), and in most cases a revocable or irrevocable checkoff.

In other plants and industries, this pattern has been widely accepted without strikes, though large groups of workers had signed off earlier in the year for less. Although the 13¢ pattern in Canada is less than the 18½¢ won by CIO workers in the United States, it represents a 20% increase over the average Canadian hourly earnings. But only about one out of five wage and salary earners received these wage increases in 1946, so the total increase in wage payments to Canadian workers fell far short of the amount needed to restore wartime purchasing power. Following the success of the wage strikes the government announced the cancellation of all wage controls as of December 1, 1946, thus restoring all wage questions to direct collective bargaining.

**Price Controls and Economic Changes:** The labor struggles of 1946 took place against a background of important economic and political developments. Economic changes both during and since the war gener-

ally paralleled those in the United States. However, the economic shifts in Canada took place more slowly, so the immediate shock of war-end dislocation was not as severe. Wartime controls were lifted more gradually, and the full effects on company profits of higher prices, lower taxes, and capacity production of civilian goods, did not begin to show in most industries during 1946.

Price controls were progressively relaxed, with substantial price increases on industrial materials in the spring of 1946; with virtual elimination of wartime subsidies resulting in price increases on many basic foods, especially milk, in the summer and fall; and another wave of decontrol starting in January, 1947.

**Labor Programs:** The two major trade union organizations entered 1947 with very similar programs adopted at their October conventions. Both the CCL and the TLC placed the responsibility for rising prices on big business and government and maintained that substantial wage increases are both practical and necessary.

They both demand extensive improvements in labor and social security legislation, including a national labor code, a national system of health insurance, reduced hours, paid vacations and paid holidays. They both condemn the Dominion and provincial governments for their arbitrary interference with civil rights and their abuse of the law courts. Both demand that the government rescind its order-in-council, passed at the peak of the strike wave, giving the government power to take strike votes among the workers, and both urge increasing cooperation with Canadian farm organizations.

Both federations also recognize the need for labor political action and both support strengthening of the United Nations, assistance to peoples under political or economic oppression, and resistance to all drives toward war.

Both the TLC and the CCL are now affiliated to the World Federation of Trade Unions, the TLC having voted to affiliate at its 1946 convention.

## CIO REPORT ON SOVIET LABOR

At its Chicago convention in 1944, when the CIO decided to participate in establishing a world federation of trade unions, it invited representatives of the British, French and Soviet trade unions to send delegates to the United States as its guests. In July, 1945, delegates from

major Russian trade unions arrived here to make a tour of American industrial cities and plants. Before leaving the United States, Vassili Kuznetsov, on behalf of All-Union Central Council of Trade Unions, invited the CIO to send a return delegation to the Soviet Union. From the London meeting of the WFTU in October, 1945, eleven CIO delegates, headed by James B. Carey, secretary-treasurer of the CIO, flew to Moscow for an eight-day visit.

The delegation's report to Pres. Murray and the executive board of CIO covered all phases of its visit in Moscow and Leningrad. It was given in Report of the CIO Delegation to the Soviet Union (CIO Publication No. 128) summarized below:

**Soviet Trade Unions:** Industrial unionism in the USSR "is the rule . . . with all the workers in each plant in a single union and one industrial union for each industry.

"There are 168 All-Union industrial unions affiliated to the AUCCTU, each of them with divisions for the various Soviet Republics in which they operate. In addition, there are regional and district committees, and each factory has its shop committee and committees for each department. As a general rule a shop steward is elected for each twenty workers.

"The supreme body in each industrial union is the All-Union Congress, or convention, which is required to be held at least once in every two years. The delegates to these conventions elect the union's Central Committee, with a membership ranging from 35 to 70 and a Presidium of about 10 members; and the Central Committee in its turn elects the President and Secretary.

"Union membership dues vary in different organizations and approximate 1% of the workers' wages. The unions pay a per capita tax to the AUCCTU ranging from 1% to 4% of the dues they receive from their members."

**Wages:** Wages and working conditions are covered by collective agreement with the unions. "The budget for each industry in the Soviet Union is drawn up by a top government planning body on which the AUCCTU is represented and consulted on the proportion of the budget which should go to wages so that it can present the workers' demands and work for their incorporation in the national plan.

"Once the total payroll has been determined for a particular industry, the government Commissariat (department) directing that industry consults with the industrial union on how this budget shall be divided

between various plants and sections of the industry. Finally, the union shop committee in each plant works out with its management the wage rates for the workers employed in that plant.

"... piecework is the predominant system, and progressive piece rates (with double or triple pay for extra units of production) are common in many factories and operations.

"In determining piece rates and rates of output per worker, the workers concerned are in all cases consulted . . . The final rates have to be referred back to the shop committee and cannot be placed in force until that committee has attached its signature to them.

"Individual grievances over wages and conditions are referred to a 'rates and conflict committee' on which management and union are equally represented . . . This committee can discuss a particular grievance only in the presence of the worker who advances it and the decision must be made openly in his presence . . . Once a decision has been duly rendered a plant director who fails to comply with it can be taken to court and made to pay damages if found guilty."

**Working Conditions:** Working hours at the Stalin automobile plant in Moscow "and the other plants we visited are eight a day, six days a week, with time-and-a-half for overtime the first hour and double time the second hour. On night shifts and on hot or unhealthy jobs the straight-time hours are seven. Before the war, working hours were seven a day, or six on night shifts and hot jobs. . . .

"The workers' actual take-home pay remains about the same as during the war . . . despite the reduction in working hours. Director Lickachev attributed this to the greater productivity of the workers with better machinery and conditions, and to their being more rested as a result of the shorter hours."

**Social Insurance:** "The trade union movement has complete charge over the administration and distribution of social insurance funds . . . The AUCCTU draws up the annual social insurance budget, which is then submitted to the government and passed on by the Supreme Soviet . . . Quarterly budgets are approved by the Council of People's Commissars. However, these governmental bodies pass only on the total amount of the budget, and the distribution of the funds is determined solely by the AUCCTU, which supervises the work of affiliated unions and regional and shop committees in administering the system.

"Besides being used to pay benefits, pensions, etc. . . . the social insurance fund is also used for the establishment and maintenance of rest



homes, sanatoria, prophylactoria, health resorts, children's summer camps, child care centers and other similar welfare services.

"Medical services are free for all citizens of the Soviet Union and up to 1937 such services were covered by the social insurance fund . . . Since that time they have been transferred to the government, so that the trade unions no longer bear any responsibility for medical services as such. Workers and their families may visit either factory or neighborhood clinics and hospitals, or have a doctor come to their homes. . .

"Up to 1930, unemployment insurance was included in the social insurance system . . . But with the disappearance of unemployment in the Soviet Union, there has since been no call for jobless benefits. . . If a worker is rendered temporarily idle, through a breakdown of machinery, changes in equipment and similar causes, there is a general rule throughout Soviet industry that he must continue to receive his average rate of wages until production is resumed.

**Need for Cooperation:** Recommending greater interchange of people between the two countries and especially the interchange of workers "who can both learn and teach the most modern industrial methods," the delegates' report concluded: "The United States can do much to aid the people of the Soviet Union in their great tasks of reconstruction and economic development by supplying many of the machines, industrial techniques, and other products which they so badly need. In so doing, we shall not only be increasing our foreign trade and making more jobs for American workers, but we shall also be laying up a store of goodwill for ourselves from a great people whose cooperation we shall need in peace as much as in war for our future welfare and security."

Finally, the delegation stated in its report: "We were impressed with the character of the Soviet trade unions, and with their many excellent activities in promoting the interest of the workers in the economic, social welfare and cultural fields—as well as with the most far-reaching character of the social insurance system they operate, which is designed to protect working people and their families against all contingencies from the cradle to the grave.

"Our observations have increased our pride in being associated with such a great trade union movement through the World Federation of Trade Unions."

# INDEX

- Accidents, occupational, 65-68.
- Agreements, trade union, 113, 132, 134, 135, 147, 150.
- Agriculture, *see* Ch. VIII.
- Aircraft industry, 9.
- Allied Labor News, 128.
- All-Union Central Council of Trade Unions, 198.
- Altmeyer, Arthur J., 61, 62.
- American Action, Inc., 142, 143, 169.
- American Crusade to End Lynching, 97.
- American Farm Bureau Federation, 185 *f.*
- American Federation of Labor, 109-113; convention, 1946, 109 *f.*; in Canada, 193 *f.*; in elections, 171; on farmers, 185; on hours, 58; on housing, 74; and labor press, 127 *f.*; membership of, 109 *f.*; and Mine Workers, 109; and NLRB elections, 147; on nationalization, 111; and Negroes, 90-92, 112; officers' salaries, 108; per capita tax, 113; political action, 109; and social security, 109, southern drive, 121 *f.*; on Soviet Union, 111; and strikes, 153, 156; on wages, 112 *f.*; and women unionists, 126 *f.*; and WFTU, 110.
- American Labor Party, 164, 168 *f.*; 170.
- American Legion, 114.
- American Medical Association, 63, 65.
- American Red Cross, 114.
- Anti-injunction act, 117, 132, 134, 138, 139, 140.
- Anti-labor bills, federal, 132-137.
- Anti-labor laws, 109, 136-138.
- Anti-labor organizations, 140-146.
- Anti-lynching bill, 99, 109, 173.
- Anti-Petrillo bill, 136.
- Anti-poll tax bill, 101 *f.*, 109, 162.
- Anti-racketeering bill, 135 *f.*
- Anti-Semitism, 117, 118.
- Anti-strike bill, 1946, 136.
- Anti-trust cases, 28 *f.*
- Anti-trust laws, 27; loopholes in, 29 *f.*
- Annual wage, 48-50.
- Aptheker, Herbert, 106.
- Argentina, 118, 166.
- Armed forces, numbers in, 56, 80; number killed, 80.
- Associated Industries of Georgia, 122.
- Association of Catholic Trade Unionists, 116.
- Atom bomb, 21, 119, 121, 173.
- Automobile industry, 9, 10, 11.
- Automobile Workers (CIO), 50, 86, 115, 119, 120, 127, 130, 131, 193; and farmers, 183; in strikes, 154; women in, 126.
- Ayres, Homer, 184.
- Bakery & Confectionery Workers, 126, 148.
- Ball, Joseph H., 65, 132, 134.
- "Ball-and-Chain Bill," 134.
- Banks, 18.
- Berge, Wendell, 23.
- Big companies, 19 *f.*
- Bilbo, Theodore G., 97, 99, 103 *f.*, 118.
- Blue Cross Hospital Service Plans, 130.
- Boas, Ernest P., 65.
- Boilermakers, 91, 110.
- Boycotts, 135.
- Brick and Clay Workers, 91.
- Budget, federal, 36-38.
- Budgets, cost of living, 52 *f.*
- Byrnes, James F., 99.
- California Farm Reporter, 25.
- Camden, N. J., strike, 160.
- Canada, 193, 197; strikes in, 193 *f.*, unions in, 193 *f.*; wages in, 194 *f.*

- Canadian Congress of Labor, 193.  
 Capital formation, 11, 12 *f.*  
 Capital Transit Co. case, 89.  
 Carpenters, 110.  
 Cartels, 23 *ff.*, 166; and NAM, 25.  
 Case, Francis, 132, 185.  
 Case anti-labor bill, 132, 134 *f.*, 137, 144, 151, 163, 185.  
 Cement industry, monopoly in, 29.  
 Chamber of Commerce of the U. S., 141 *f.*, 180.  
 Check-off, of union dues, 132, 154.  
 Chicago Conference of Progressives, 165 *ff.*  
 Child labor, 78 *f.*  
 China, 166, 188, 191.  
 Christian American Association, 137, 145.  
 Christian Front, 142, 169.  
 Civil Rights Act, 173.  
 Clark, Tom C., 98.  
 Clerical workers, salaries, 75.  
 Closed shop, 132, 134.  
 Clothing prices, 52.  
 Clothing workers, 115, 119, 120, 126, 129, 164, 191.  
 Coal, bituminous, workers relative position in, 53 *f.*  
 Collective bargaining, 113, 132, 134, 135, 147, 150; and group insurance, 128 *ff.*  
 Columbia, Tenn., 99 *f.*  
 Columbians, 97, 123.  
 Committee for Constitutional Government, 142 *f.*  
 Committee for Maritime Unity, 57, 156.  
 Committee for the Nation's Health, 64.  
 Committee on Un-American Activities, 112, 117, 162, 173.  
 Committee on Fair Employment Practice, 86, 88-90, 109, 112, 144.  
 Commodities, covered by cartel agreements, 23 *f.*  
 Communism, charges of in 1946 elections, 167, 170.  
 Communist Party of the U. S., 116, 171.  
 Community general strikes, 159 *f.*  
 Community Services Committee, of CIO, 114.  
 Company unions, 123, 132, 146.  
 Compulsory arbitration, 132, 134.  
 Concentration in manufacturing, 20.  
 Conference of American Small Business Organizations, 144.  
 Conference of Progressives, 165 *ff.*  
 Congress of American Women, 81 *f.*  
 Congress of Industrial Organizations, 113-121; on annual wage, 48 *ff.*; on anti-labor bills, 133; in Canada, 193 *ff.*; on Communists, 116; convention of 1946, 115 *ff.*; and farmers, 183 *ff.*; finances of, 108; on hours, 58; on housing, 74; and labor press, 127 *f.*; membership, 107, 115 *f.*; and NLRB elections, 147; and Negroes, 90-92, 117 *f.*; officers' salaries, 108; Political Action Committee, 119, 120, 163 *ff.*, 167, 168; on profits, 16; southern drive, 121 *ff.*; on Soviet Union, 197-200; in strikes, 153; and United Nations, 118; and veterans, 113 *f.*; wage policy, 119; and war relief, 114; and women unionists, 126 *f.*; and WFTU, 192 *f.*  
 Congress, U. S., 162 *f.*, 167 *f.*; anti-labor bills, 132-137.  
 Constitutional Educational League, 144 *f.*  
 Consumer goods, 13, 16.  
 Consumer incomes, 11, 13.  
 Consumer prices, 39 *f.*, 51, 54, 60.  
 Consumers, expenditures of, 11.  
 Cooperatives, 74, 187.  
 Corporations, 9, 14 *ff.*, 18; taxes of, 33.  
 Cost of living, 14, 52; BLS index, 50, 51; family budgets, 52 *f.*; increases in, 39 *ff.*, 52, 149.  
 Council of Economic Advisers, 31, 32.  
 Czechoslovakia, 188.  
 Davis, Benjamin J., Jr., 172.  
 Democratic Party, 102 *f.*, 167 *f.*, 170 *f.*  
 Desvernine, Raoul E., 145.  
 Dewey, Thomas E., 101, 168, 171.  
 Dies, Martin, 112.  
 Dies Committee, 112.  
 Dilling, Elizabeth, 25.  
 Discrimination, state laws against, 90.  
 Diseases, occupational, 68-70.  
 Dividends, concentration of, 19.  
 Domestic workers, 59.  
 du Pont, Lamot, 143.  
 Durable goods industries, 10, 16.  
 Economic Bill of Rights, 30, 163.

- Economic concentration, 18-30; and newspapers, 25 *ff.*; postwar, 22; in wartime, 19 *f.*
- Economic Report of Congress, 30, 31 *f.*
- Economic & Social Council (UN), 192.
- Education, for Negroes, 94 *f.*; for veterans, 61.
- Eisenhower, Dwight D., 118.
- Elections of 1946, 9, 132, 167 *ff.*, 170 *ff.*
- Electrical industry, 11.
- Electrical workers (AFL), 110.
- Electrical workers (CIO), 115, 119, 126, 127, 129, 139, 155, 184; on 79th Congress, 163.
- Electricity, on farms, 180 *f.*
- Emergency Housing Act, 72 *f.*
- Emery, De Witt, 143.
- Employers, responsibility for strikes, 153; tactics in Canada, 195 *f.*
- Employment, 30 *f.*, 50 *f.*, 56, 109; by big companies, 20; on farms, 181.
- Employment Act of 1946, 30 *ff.*
- Equal pay laws, for women, 81.
- "Equal Rights" Amendment, 81.
- Estate and gift taxes, 33.
- Excess-profits taxes, 15, 33, 34, 35, 162.
- Exports, 13.
- Facilities, concentration in manufacturing, 20.
- Fact-finding boards, 11, 134, 151, 154, 158.
- Fair Employment Practice Committee, 86, 88-90, 109, 112, 144.
- Fair Labor Standards Act, 47 *f.*, 57, 58, 79, 162, 182, 183.
- Fairless, Benjamin, 154.
- Family income, 42 *ff.*; Negroes, 87; and rents, 71.
- Farm Equipment Workers, 183 *f.*
- Farm machinery, 178 *ff.*
- Farm organizations, 185 *ff.*
- Farm real estate, 176 *f.*
- Farm Research, 189.
- Farm Security Administration, 177.
- Farm workers, 181-183.
- Farmers, Ch. VIII; and labor, 183 *ff.*; Negro, 84; organizations of, 185 *ff.*
- Farmer-labor unity, 183-185.
- Farms, large and small, 177.
- Federal budget, 36-38.
- Federal Trade Commission, 27 *ff.*, 179.
- Federal workers, 127.
- Federated Press, 128, 184.
- Ferguson brothers, 101.
- Fight for Free Enterprise, 146.
- Filibuster, of southern Senators, 102, 104.
- Financial workers, 77 *f.*
- Five-day week, 58.
- Food per capita consumption, 174, 188; for world needs, 188 *ff.*
- Food, and Agriculture Organization of UN, 186, 187, 188, 189.
- Food prices, 40, 52.
- Food, Tobacco, Agricultural Workers, 91, 122, 126, 127, 182, 183.
- Ford Motor Co., 69.
- Foreign trade, 13.
- Foremen, right to collective bargaining, 132, 147 *f.*
- Freeport killings, 101.
- Full Employment Act, 30 *f.*, 109.
- Fur and Leather Workers, 122, 129.
- Furniture Workers, 91, 129, 130.
- G.I. Bill of Rights, 61, 97, 166.
- Gannett, Frank, 142, 143.
- General Electric Co., 155.
- General Motors Corp., 151; strikes, 154.
- General strikes, community, 159 *ff.*
- Georgia, election in, 102 *f.*
- Germany, and cartels, 24 *f.*, 166; defeat of, 9.
- Goldsborough, T. Alan, and miners' injunction, 139.
- Government employees, 76.
- Government expenditures, 11, 12, 21, 36-38.
- Government seizures of plants, 153.
- Great Britain, 188.
- Greece, 192.
- Green, William, 65, 121, 122, 171.
- Gross national product, 11 *ff.*
- Group insurance, 128-131.
- Guaranteed wage study, 48 *f.*
- Harlem, health in, 94; housing in, 92 *f.*
- Harriss, Robert M., 143.
- Hart, Merwin K., 142.
- Hartford, Conn., strike, 160.
- Health, 62-65, insurance, 63 *ff.*, 128 *ff.*; of Negroes, 94; public, 62 *f.*
- Health Insurance Plan of Greater N. Y., 131.

- Hearst, W. R., newspapers, 26, 31, 111, 169.
- Heller committee budget, 43, 52 *f.*, 75.
- Hillman, Sidney, 119, 120, 164, 191.
- Hobbs anti-racketeering bill, 135, 137.
- Hodcarriers, 110.
- Hospitalization benefits, 130.
- Hotel workers, 57, 110, 129, 131.
- Hours of work, 56-58, 156.
- Housefurnishings, price of, 52.
- Housing, 70-74; 162; AFL on, 109; CIO program, 74; for Negroes, 92 *f.*; for veterans, 70, 72 *f.*
- Houston, Charles H., 89.
- Houston, Texas, strike, 160.
- I.G. Farbenindustrie, 24.
- Imports, 13.
- Income, and consumption, 13; distribution of, 42 *f.*, 175 *f.*; family, 43 *f.*; farm, 174 *f.*; groups, 43 *f.*, national, 11 *f.*
- Income payments to individuals, 11, 13.
- Income taxes, 33 *f.*
- Independent Citizens Committee of the Arts, Sciences & Professions, 163, 165, 172.
- Infant mortality, of Negroes, 94.
- Injunctions, against labor, 138-140.
- Insurance, disability, 125; group, 128-131; health, 63-65, 128 *f.*; life, 130; old age, 59 *f.*, survivors, 59 *f.*, 125; unemployment, 60 *f.*, 125.
- Int'l Chamber of Commerce, 192.
- Int'l Cooperative Alliance, 192.
- Int'l Federation of Trade Unions, 191.
- Iran, 192.
- Japan, defeat of, 9, 149.
- Jim Crow locals, of unions, 91.
- Johnston, Alvanley, 157.
- Jones, John C., 98.
- Jones & Laughlin Steel Corp., case, 148.
- Kamp, Joseph P., 145, 146.
- Kefauver, Estes, 27, 30.
- Kennedy, Stetson, 144.
- Killings of workers, 155 *f.*
- Kroll, Jack, 164, 165, 167, 171.
- Ku Klux Klan, 97, 123.
- La Buy, Walter J., on Lea Act, 136.
- Labor costs, 39.
- Labor disputes, 152-161.
- Labor-farmer unity, 183 *f.*
- Labor force, 56.
- Labor-management conference, 151.
- Labor press, 127 *f.*
- Labor Research Association, 125, 128, 145.
- Labor unity, 120 *f.*
- Ladies Garment Workers, 50, 110, 126, 129.
- LaFollette Committee, 144.
- Lancaster, Pa., strike, 159.
- Latimer, Murray W., 48.
- Latin American Federation of Labor, 111.
- Lea Act, 136.
- Lewis, John L., 109, 139 *f.*, 158.
- Liberal Party, 170.
- Life-insurance companies, 18.
- Lincoln, Abraham, on international solidarity, 192.
- Little Steel formula, 148 *f.*
- Lockouts, 152.
- Locomotive Engineers, 91.
- Longshoremen's & Warehousemen's Union, 152, 156, 157.
- Lumber industry, 10.
- Lynchings, of Negroes, 97 *f.*; of veterans, 98.
- Machinists union, 91, 159.
- Manufacturing, accidents in, 66; employment in, 18 *f.*, 20; hours of work in, 56 *f.*; Negroes in, 85; production in, 9 *f.*; productivity in, 55; wages in, 44 *f.*, 46, 47 *f.*, 50 *f.*, 53; worker's relative position in, 53 *f.*
- Marcantonio, Vito, 101, 143, 168 *f.*
- Marine & Shipbuilding Workers, 86, 91, 119.
- Marine workers, 57, 156 *f.*
- Maternal mortality, among Negroes, 94.
- Maternity benefits, 125.
- Meatcutters & Butcherworkmen, 91.
- Mechanization, of farms, 177-180.
- Medical care, 63, 130 *f.*
- Mergers and acquisitions, 21.
- Mine, Mill & Smelter Workers, 58, 115, 130, 194.
- Mine Workers, 57, 58, 67, 110, 129, 150; and AFL, 109; injunction against, 139; strikes of, 57, 158.

- Minerals, production, 9, 10, 11.  
Minimum wage, 47 *f.*, 109, 144, 162, 167.  
Mining, 53 *f.*; accidents in, 66, 67.  
Monopoly, 18-30.  
Moreno, Luisa, 127.  
Mortgages, farm, 176 *f.*  
Mosher, Ira, 151.  
Mt. Clemens Pottery Co. case, 58.  
Murray, Philip, 65, 119, 133, 165; on annual wage, 48; call for unity, 120 *f.*; on Communists, 116; on NWLB, 150; on Negroes, 92; 1946 report, 113 *f.*, 192; on 79th Congress, 162; on WFTU, 192.  
Murray full employment bill, 143, 144.  
Musicians union, 136.  
  
Nathan, Robert R., Associates, report of on wage policy, 16.  
National Association for the Advancement of Colored People, 93, 97, 100, 104, 165.  
National Association of Manufacturers, 30, 140 *f.*, 151, 159; on cartels, 25; on Economic Report, 32 *f.*; and farms, 180, 186.  
National Association of Real Estate Boards, 72.  
National Child Labor Committee, 78.  
National Citizens Political Action Committee, 163 *f.*, 165, 172.  
National Economic Council, 142.  
National Education Association, 75.  
National Farm Labor Union, 110, 183.  
National Farmers Union, 165, 186 *f.*; and labor, 183 *f.*  
National Federation for Constitutional Liberties, 100.  
National Grange, 186.  
National Health Bill, 63 *f.*, 109.  
National Housing Agency, 71, 72, 73.  
National income, 11 *f.*  
National Industrial Information Committee, of NAM., 141.  
National Labor Relations Act, 119, 122, 132, 135, 143, 144, 182.  
National Labor Relations Board, 113, 123, 134, 146 *f.*, 158, 182.  
National Lawyers Guild, 139.  
National Maritime Union, 119, 130, 156, 157.  
National Negro Congress, 105.  
National product, gross, 11 *f.*  
National Science Foundation, 166.  
National Service Life Insurance, 80.  
National Small Business Men's Association, 143 *f.*  
National Urban League, 85, 93, 105.  
National Wage Stabilization Board, 112, 149, 150.  
National War Labor Board, 148 *f.*, 153, 155.  
National Women's Trade Union League, 125.  
Nationalization, 111.  
Negroes, 83-106; and AFL, 90 *f.*, 112; attacks on, 97 *f.*, 100 *f.*; and CIO, 88, 90 *f.*; in Columbia, Tenn., 99 *f.*; and court decisions, 91 *f.*; discrimination against, 86 *f.*, 89, 90; education, 94 *f.*; family income, 87; health of, 94; housing, 92 *f.*; in industry, 84 *f.*; lynchings and killings of, 97-99; migration of, 83; organizations, 104 *f.*; petition to UN., 105 *f.*; poll-tax, 102; in trade unions, 90-92, 112; veterans, 97; wages of, 87 *f.*, 96; and white primary, 102-104; women workers, 85.  
Nelson, Eleanor, 127.  
Net profits, concentration of, 18.  
New York Hotel Trades Council, 57, 129, 131.  
New York State Commission Against Discrimination, 91.  
New York Stock Exchange, 78.  
Newspapers, concentration of, 25 *f.*; and radio, 26.  
Nixon, Raymond B., on press monopoly, 27.  
Norris-LaGuardia Act, 134, 138, 139, 140, 141, 167.  
  
Oakland, Calif., strike, 161.  
O'Daniel, W. Lee, 145.  
O'Dwyer, William, 164.  
Office of Price Administration, 39, 40, 47, 186.  
Office & Professional Workers, 75, 76, 77.  
Office of War Mobilization & Reconstruction, 15, 46, 48, 189.  
Office workers, 58; wages of, 75.  
Oil Industry Board, 151.  
Oil Workers, 58.

- Old age insurance, 59 *f.*  
 Orr, John Boyd, 189.  
 Overtime pay, 44.  
  
 Packard Motor Car Co. case, 147 *f.*  
 Packinghouse Workers, 49, 58, 91, 184.  
 Patman, Wright, 72.  
 Patton, James G., 165.  
 Payrolls, 50 *f.*, 54.  
 Pellagra, among Negroes, 94.  
 Pensions, old age, 59 *f.*, 124 *f.*; for veterans, 80.  
 Pepper, Claude, 47, 62 *f.*, 102, 166.  
 Petition, of Negroes, to United Nations, 105.  
 Petrillo, James C., 136.  
 Pettengill, Samuel B., 142.  
 Pew, J. H., 143.  
 Phelps Dodge Copper Products Corp., 155.  
 Physicians Forum, 64, 65.  
 Picketing, 133, 137.  
 Plumbers & Steamfitters, 110.  
 Poland, 192.  
 Police brutality, 100 *f.*  
 Political action, 162-173; by AFL, 109; by CIO, 163 *f.*; by farmers, 185; by unions, restrictions on, 133.  
 Political Action Committee (CIO), 119, 120, 163 *f.*, 167 *f.*, *see also* CIO.  
 Poll taxes, 102, 146; anti-poll tax bill, 101, 173.  
 Portal-to-portal pay, 58.  
 Postwar strikes, 153.  
 Postwar wages, 46 *f.*  
 Powell, Adam Clayton, Jr., 169.  
 Press, monopoly in ownership of, 25 *f.*  
 Price control, 38-41, 150; in two world wars, 40 *f.*, 186, 187; in Canada, 196 *f.*  
 Prices, consumers, 50 *f.*; control of, 38-41; wartime trends, 39.  
 Private capital formation, 11, 12 *f.*  
 Production, industrial, 9 *f.*; farm, 174; per worker, 55.  
 Productivity, 55; in coal mining, 55; on farms, 177-180; in manufacturing, 55; in retail trade, 55.  
 Professional workers, 75 *f.*, 94 *f.*  
 Profits, corporation, 9, 14 *f.*; in manufacturing, 15 *f.*; in 1946, 15; shipping, 16 *f.*; wartime, 14 *f.*, *see* Net profits.  
  
 Progressive Citizens of America, 172 *f.*  
 Progressives, in Congress, 169.  
 Public health, *see* Health.  
 Public utilities, 18.  
  
 Radio ownership, 26 *f.*  
 Railroad Retirement Act, 124 *f.*  
 Railroad Unemployment Insurance Act, 124 *f.*  
 Railroad unions, 120, 123 *f.*  
 Railroad workers, 57, 123 *f.*, 157 *f.*  
 Railway Carmen, 91.  
 Railway Clerks, 91, 92, 110, 126.  
 Railway Labor Act, 124, 136.  
 Railway Mail Association, 92.  
 Rankin, John, 117, 163.  
 Real wages, 50 *f.*, 54.  
 Reconversion, 11; production in, 10.  
 Refunds, of taxes, 35.  
 Relative position of workers, 53 *f.*  
 Rents, 41, 71, 72.  
 Republican Party, 9, 163, 167 *f.*, 170 *f.*  
 Retail sales, 14.  
 Retail trade, workers' relative position in, 53 *f.*; productivity in, 55.  
 Retail, Wholesale & Department Store Employees, 91, 126, 131.  
 Reuther, Walter P., 119.  
 Revenue Act of 1945, 34 *f.*  
 Robeson, Paul, 97.  
 Rochester, N. Y., strike, 160.  
 Rogge, O. John, 143.  
 Roosevelt, Eleanor, 100.  
 Roosevelt, Franklin D., 28, 35, 39, 48, 119, 133, 140; death of, 119, 163; Economic Bill of Rights, 30.  
 Rubber Workers, 58, 115, 119, 194.  
 Rumely, Edward A., 143.  
 Rural Electrification Administration, 180.  
 Russo, Mario, 155 *f.*  
  
 Safety, occupational, *see* Accidents.  
 Salaries, of congressmen, 162; of teachers, 75 *f.*, 94 *f.*; of union officers, 108; of white-collar workers, 75 *f.*  
 Sales taxes, 35.  
 Savings, family, 42 *f.*, of individuals, 11, 13.  
 Seamen, 156 *f.*, *see also* National Maritime Union.  
 Seniority, 154; of Negroes, 86; of women workers, 126.

- Servicemen, 80; health of, 62, *see also* Veterans.  
 Servicemen's Readjustment Act, 61.  
 Sharecroppers, 84.  
 Shipbuilders union, *see* Marine & Shipbuilding Workers.  
 Shipbuilding, 9.  
 Shipping, profits in, 16 *f.*  
 Silicosis, 68.  
 Small business, 20.  
 Smaller War Plants Corp., 18, 28.  
 Smith, Gerald L. K., 117, 143.  
 Smith-Connally Act, *see* War Labor Disputes Act.  
 Social security, 37, 58-65; economic bill of rights, 30, 163; health bill, 63 *f.*; proposals, 61 *f.*; taxes for, 33, 61, 64; Wagner-Murray-Dingell bill, 63 *f.*  
 Social Security Act, 59, 61, 109, 125, 182, 187.  
 South, union drives in, 121 *f.*; Negroes in, 83 *f.*, 88, 94 *f.*  
 Southern Conference for Human Welfare, 100, 165.  
 Southern organization drives, 104, 121-123.  
 Southern States Industrial Council, 122.  
 Soviet Union, 188, 189; and AFL, 111; CIO report on, 197-200; social insurance in, 199 *f.*; trade unions, 191, 197 *f.*; wages in, 198 *f.*; working conditions, 199.  
 Spain, 111, 118, 142, 166.  
 Spivak, John L., 140.  
 Stamford, Conn., strikes, 159.  
 State anti-labor laws, 137 *f.*  
 State, County and Municipal Workers, 50, 66.  
 Steel industry, 11; prices, 39.  
 Steel wage case, 154 *f.*  
 Steelman, John R., 15, 46, 189.  
 Steelworkers union, 49, 50, 69, 115, 119, 130, 138, 148; strikes of, 154 *f.*, 194; women in, 126.  
 Stock ownership, 19.  
 Strikes, 152-161, 183 *f.*; electrical, 155 *f.*; of farm labor, 182; of financial workers, 77; general, 159 *f.*; General Motors, 154; laws against, 137; maritime, 156 *f.*; and NLRB elections, 147; railroad, 124, 136, 157 *f.*; steel, 154 *f.*; statistics, 152 *f.*; of teachers, 76; and unemployment insurance, 60.  
 Super-seniority, 114.  
 Surplus property, 23.  
 Taft, Robert A., 65, 73, 132, 163.  
 Talmadge, Eugene, 97, 103.  
 Tax laws, loopholes in, 35.  
 Tax program, 36.  
 Taxes, 33-36; and annual wage, 49; corporate, 14, 33 *f.*; on excess profits, 15, 33, 162; federal, 33; individual income, 33 *f.*; of low-income groups, 34, 36; refunds, 35; social security, 33, 61, 64.  
 Teachers, 75 *f.*, 94 *f.*  
 Teamsters union, 110, 137, 161.  
 Telephone union, 126.  
 Temporary National Economic Committee, 18, 19, 28.  
 Tennessee, terror against Negroes, 99.  
 Tennessee Valley Authority, 166.  
 Textile Workers, 50, 88, 115, 119, 126.  
 Thomas, R. J., 119, 138.  
 Tool Owners Union, 145.  
 Trade Union Agency, 129.  
 Trade unions, Ch. V.; agreements, 113, 132, 134 *f.*, 147, 150; in Canada, 193 *f.*; and democracy, 107 *f.*; dues, 108; insurance plans, 128-131; and labor press, 127 *f.*; membership, 107, 109 *f.*; 115 *f.*; Negroes in, 90-92; officers' salaries, 108 *f.*; in Soviet Union, 197 *f.*; and strikes, 153; of white collar workers, 76 *f.*; and women, 125 *f.*  
 Trades and Labor Congress (Canada), 193.  
 Transportation, 18.  
 Truman, Harry S., 38, 72, 101, 149, 151, 154, 163; and anti-labor bills, 134, 135, 136; economic report of, 30, 31 *f.*; and FEPC, 89; and railroad strikes, 124, 157.  
 Tuberculosis, 68; Negro deaths from, 94.  
 Typographical Union, 50, 58.  
 Unemployment, 56; insurance, 60 *f.*, 125; of Negroes, 85 *f.*; and veterans, 61.  
 Union security, 132.  
 Unions, *see* Trade unions.  
 United Federal Workers, 76.



- United Nations, 105, 109, 118, 142, 164, 166, 186, 197; and food needs, 189; and WFTU, 191 *f.*
- United Nations Relief & Rehabilitation Administration, 118, 187, 188 *f.*
- United Public Workers, 50, 76, 127.
- U. S. Bureau of Labor Statistics, on accidents, 65 *ff.*; consumer price index, 40 *f.*, 51, 60; on family income, 43 *f.*; on strikes, 152 *f.*
- U. S. Department of Justice, 98, 99.
- U. S. Employment Service, 62, 119, 141, 149, 162.
- U. S. Public Health Service, 64, 69, 70.
- U. S. Supreme Court, 58, 138, 140, 147, 148, 182; on Negroes, 95, 102.
- Vacations with pay, 154, 156.
- Valley authorities, 166.
- Vandenberg, Arthur H., 61, 136.
- Veterans, 37; and CIO, 113 *f.*; disabled, 80; and education, 61; G. I. bill of rights, 61; and housing, 70, 72 *ff.*; lynching of, 98; Negroes, 97; pensions for, 80; and social security, 61; unemployment allowances, 61; and women workers, 80.
- Veterans Administration, 61.
- Violence, against unionists, 123.
- "Victory Tax," 34.
- Vote, in 1946 elections, 167 *f.*
- Wage differentials, 88, 121.
- Wages, 44-52, 149; in Canada, 194 *ff.*; annual wage, 48-50; CIO on, 119; of factory workers, 44 *f.*, 50 *f.*, of farm workers, 181; hourly rates, 47 *f.*, 151 *f.*, 154; Little Steel formula, 148 *f.*; minimum, 47 *f.*, 162; of Negroes, 87 *f.*; non-manufacturing, 45; portal-to-portal, 58; postwar increases, 46, 154; of railroad workers, 124, 157 *f.*; real, 50 *ff.*, 54; in Soviet Union, 198 *f.*; substandard, 47 *f.*; weekly earnings, 44 *f.*, 51 *ff.*; of white collar workers, 74 *ff.*; of women, 80 *f.*
- Wagner, Robert F., 63, 73.
- Wagner-Ellender-Taft housing bill, 71, 73 *f.*, 166.
- Wagner-Murray-Dingell bill, 59, 62, 63 *f.*, 143, 144.
- Wall Street, unions in, 77 *f.*
- Wallace, Henry A., 74, 166, 171.
- War assets, disposal of, 22 *f.*
- War Assets Administration, 22.
- War bonds, 13.
- War casualties, effects of, 79 *ff.*
- War contracts, 9.
- War expenditures, 37, 38.
- War Labor Disputes Act, 119.
- War losses, 80.
- War Manpower Commission, 149.
- War Production Board, 19, 51.
- War surplus, 22.
- Weaver, Robert C., 93.
- Weir, Ernest T., 143.
- White collar workers, 74-78.
- White primary, 102 *ff.*
- Whitney, A. F., 157.
- Woll, Matthew, 110, 111.
- Woman's Rights Amendment, 81.
- Women workers, 79-82; and AFL, 126; and CIO, 126; and equal pay, 80 *f.*; Negroes, 85; and reconversion, 79; seniority, 126; in unions, 125 *ff.*; and veterans, 80; wages of, 80.
- Women's Equal Pay Bill of 1945, 81.
- Women's International Democratic Federation, 82, 106.
- Wood-Rankin committee, 112, 117.
- Woodard, Isaac, 101.
- Woodworkers (CIO), 91.
- Work injuries, 65-68.
- Workmen's compensation, 67 *f.*
- World Federation of Trade Unions, 106, 110, 127, 190-193, 197; and Soviet Union, 198, 200.
- World War II, losses in, 80, price control in, 40 *f.*
- Wyatt, Wilson W., 71.
- Young, Ruth, 127.
- Young workers, 78 *f.*

# BOOKS ON LABOR & ECONOMICS

## HISTORY OF THE LABOR MOVEMENT IN THE UNITED STATES

Philip S. Foner

A comprehensive study of the dramatic evolution of the trade union movement, of the militant struggles of the workers to secure better living standards, of their role in the development of American democracy, and of their activities in the political life of the nation.

Trade, \$4.50; Popular, \$3.75

## THE NATURE OF CAPITALISM

Anna Rochester

A lively, simple exposition of the fundamentals of Marxian economics, in particular as they apply to the conditions in the United States.

Trade, \$1.00; Paper, \$.35

## WORLD MONOPOLY AND PEACE

James S. Allen

A provocative analysis of the main economic drives behind the world political events.

Trade, \$3.00; Popular, \$2.50

## JOSEPH WEYDEMEYER

Karl Obermann

A biography of Marx's co-worker who became an American labor leader and a regimental commander in the Union Army during the Civil War.

Trade, \$2.25; Popular, \$1.85

## WILLIAM SYLVIS AND THE NATIONAL LABOR UNION

Charlotte Todes

The history of the first national federation of labor unions in the United States, and the life of its founder.

Trade, \$1.25; Paper, \$.50

## INTERNATIONAL PUBLISHERS

381 FOURTH AVENUE, NEW YORK 16